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TOURISM AS A TOOL FOR RURAL ECONOMIC DEVELOPMENT

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Tourism as a Tool for Rural Economi...

HEARING

BEFORE THE
SUBCOMMITTEE ON PROCUREMENT, TAXATION, AND
TOURISM
OF THE
COMMITTEE ON SMALL BUSINESS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
FIRST SESSION

ALEXANDRIA, LA, JULY 19, 1993

Printed for the use of the Committee on Small Business

Serial No. 103-40



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TOURISM AS A TOOL FOR RURAL ECONOMIC DEVELOPMENT

MONDAY, JULY 19, 1993

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PROCUREMENT,
TAXATION, AND TOURISM,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:55 a.m., in the city council chamber, Alexandria, Louisiana, the Hon. James H. Bilbray (chairman of the subcommittee) presiding.

Chairman BILBRAY. First of all, we'd like to thank everyone for coming here today for a hearing—a subcommittee meeting of the Subcommittee on Small Business Procurement, Taxation and Tourism. I'm Congressman James Bilbray. I represent the First District of Nevada, which is the small rural town of Las Vegas, and of course you know Congressman Richard Baker, who represents you in this area. Congressman Baker is the ranking minority member of this committee, which means if the Republicans ever attain the majority in the House of Representatives, he'd be Chairman and I would be the ranking member.

I appreciate being given the opportunity to come here. As a boy—my mother was actually born in East Feliciana Parish, in a little town called Ethel down at the other end of the area, I guess about 1½ or 2 hours from here. As a boy, we used to drive out from Las Vegas every 2 years to visit her father and her sisters and everything. They still live in that area, many of them. We would travel through this area, and to tell you the truth, we never really stopped except to have a meal, driving through, but I certainly recognize the area. Although, honestly, I always thought it was a little closer to Baton Rouge than it was when I drove over yesterday, so it was a little longer drive than I remembered, but we in the West know what long drives are, so it really is not a long drive when you consider that from Las Vegas anywhere you want to go, the closest urban area is probably about 300 miles. Even if in our own State, if you want to travel from Las Vegas to Reno, it's 440 miles, so it takes about 10 hours, because we have no interstate highway connecting our two main urban centers.

We are here to address the problems of tourism today and we have a distinguished group of witnesses, the first panel being more the State, Federal and local government panel, which is Dr. David Edgell, who is Acting Undersecretary for U.S. Travel and Tourism Administration at the U.S. Department of Commerce in Washing-

ton, DC, and Mr. Todd Landfried, who is the Community Development Specialist, U.S. Department of Agriculture, Extension Service, Washington, DC. Mr. G. Till Phillips, Acting Administrator for Region VI of the Small Business Administration in Dallas, Texas, the Honorable Ned Randolph, who all you know is the mayor of this very fine city, and mayor Gregory Marcantel, mayor of the city of Jennings, Louisiana.

I will have an opening statement at this time and after that we'll hear the opening statement of Mr. Baker. Today the subcommittee convenes in Alexandria, Louisiana as it begins a series of field hearings around the country to study the impact which tourism has on various local economies around the country.

Today I'm very happy to have accepted the invitation of my good friend, Richard Baker, to be here in Alexandria to see firsthand the effect that tourism is playing in the development of Central Louisiana.

Members of the international tourism arena paint a very optimistic and bright picture for Louisiana's tourism. According to the U.S. Travel and Tourism Administration, from 1990 until 1991, Louisiana registered a 10-percent increase in international tourism. Canadian arrivals were up 27 percent. International tourism of Louisiana generated \$108 million in payroll in 1990, generated 9,500 jobs and \$49.6 million in Federal, State, and local taxes. Any way you look at it, this is the environment which Louisiana must take advantage of.

In Central Louisiana, we also see an environment that has rebounded and continued to develop despite the closure of Egland Air Force Base. As the witnesses before us today will attest, they have taken advantage of the possibilities posed by the closure of the base and turned its diversion to a success story and are looking to the future.

These witnesses will bring us today an example of the type of Government-business partnership that can only spell success for our economy. As we face a time of growing fiscal constraint in Washington, it is essential that we take the examples that are being created in places like Central Louisiana and make them part of national economic strategy to restart our economy. What our businesses need is not another handout. What they definitely require is guidance and existence in order to get started. The Federal Government must fill this information void and allow developers and financial institutions that know these regions in a much more intimate way to get on with business as it best fits the business climate of this particular region. The Federal Government should remove the roadblocks to development, not create them. Today's witnesses will paint for us a picture of success that the Toledo Bend Reservoir can be if given the proper assistance by the various levels of Government and business. We'll see how tourism can be used as a very positive tool for economic development.

As the numbers I mentioned before stated, Louisiana is a thriving ground for tourism and the dollars and jobs that it can bring to an area are indeed impressive. As a Member of Congress it is essential I take these kinds of success stories back to Washington with me and let my fellow Members know what kind of help America's small businesses really need.

Again, I thank Congressman Baker for the invitation and all of those that we'll hear from today. I look forward to the testimony and taking back to Washington some of the bright ideas that are flourishing in the parishes of Louisiana. Mr. Baker.

[Chairman Bilbray's statement may be found in the appendix.]

Mr. BAKER. Thank you, Congressman Bilbray. I want to express to you and your staff my appreciation for all of your courtesies in coming to Alexandria. This may not be the first, but it's the first I know of and I am certainly appreciative of your interest in our problems here and your utilizing the sources of the committee to give us help and guidance. I also want to welcome you home, back to Louisiana, since you have such deep roots here. He didn't tell you that Ethel is just down the road a ways from my father-in-law's farm in Norwood, so when you were visiting with your mama, I was probably stretching wire up in those hills up there.

Chairman BILBRAY. But I've got to admit to you, Congressman Baker, we don't have any Republicans in our family.

Mr. BAKER. I'm just glad to see today that he's broadened his horizons and opening your views on the world. Believe me, it's been a few years since—well, I won't say it that way—we've only recently been exposed to Republicanism in Central Louisiana and it seems to be doing well here.

First let me say that I appreciate the courtesies extended by those who have come in from Washington and other governmental and private enterprise experts whom we'll hear from during the course of this morning's testimony. We'll talk about the resources which already may be available to us if we simply learn how better to ask for their help, but my goal in requesting this hearing was really to emphasize the need for a regional economic development plan. In today's world, it's no longer Alexandria against Monroe or Alexandria against Baton Rouge; it's Louisiana and other Southern States joining together to build incentives for people to come here, visit, see what we have and finally invest. It is my hope that out of this effort this morning, we can encourage a regional, interconnected, coordinated development opportunity where, when someone comes to downtown Alexandria and stays at the Bentley, they may find reasons to take a sidetrip to Toledo Bend Lake or to go north to the Natchitoches Christmas Lights Festival, or to any one of the other myriad number of tourism opportunities that are in our region. But it is up to us to develop that plan, and certainly I'm going to be very dependent upon the local community leadership of all the respective communities to tell us how that plan should best be formulated.

Once having developed the plan, I'm hoping this morning to hear more from some of our witnesses as to how we can utilize the already-existing public resources to help implement that plan, whether it's highway improvements; whether it's a boat dock; whether it's a hotel rate; whatever the need may be in a respective community, there are certain things that we simply cannot do on our own without additional help, whether it's free enterprise or publicly generated resources.

Tourism in Louisiana, perhaps just behind agriculture, is one of our most important economic resources, and I still believe that despite the difficulties that we have in Louisiana today with highway

construction, although we don't have 10-hour drives to get from one place to the other in the 6th District, it seems like 10 hours when you drive to Baton Rouge from Alexandria. We simply need to have enhanced opportunities for access. We need to have assistance from our Federal partners, and we need to know where to go to get help, so I'm most appreciative, Mr. Chairman, of your willingness to come, and God help you, should the Republicans ever take charge of the U.S. House, I will promise you I'll be just as kind to you as you've been to me. Thank you.

Chairman BILBRAY. At this time, I would ask the witnesses as we start—in going through your testimony, some of the are very, very long, and we have three panels. I know that some of them run as much as 20 pages. I would ask that you try to limit your testimony to 5, maybe 7 or 8 minutes apiece, because we do have three panels and we'd like to get through them in the 2-hour period. We will have a series of questions for you. I know the inclination is that—especially since the testimony has been so well prepared—is to read every point to us and to make every point, but I would certainly hope—and many of you, I noticed, talk about the Federal roll, but I would hope that you would address the Federal role and the assistance that you can give to areas like Central Louisiana, and limit your—and talk to us more than read to us.

So we first start with—the first witness would be Dr. David Edgell, the Acting Undersecretary for the U.S. Travel and Tourism Administration of the Department of Commerce.

TESTIMONY OF DAVID L. EDGELL, SR., ACTING UNDER SECRETARY, TRAVEL AND TOURISM, U.S. DEPARTMENT OF COMMERCE

Dr. EDGELL. Thank you, Mr. Chairman, for this opportunity to be here. I'm so pleased to have this fourth opportunity over the last 2 years to be in Louisiana, and I have prepared testimony for the record. I'll just highlight some of the important aspects that I believe are important to Louisiana in connection with the United States Travel and Tourism Administration and the international tourism market.

First, I would like to quote directly from my boss, the Secretary of Commerce, Ron Brown, who is a very strong backer of international tourism and tourism in all of the States across the United States. Recently he said, quote, "First, markets have become global. U.S. exports in 1993 will be 40 times the 1955 total. Second, the value we add to goods and services increases in their technology and information content, as well as from the labor and raw materials that we use to build them. Third, the marketplace now changes in response to new products and new demands with incredible speed," unquote. These changes that the Secretary of Commerce is talking about has a lot to do with the fluidity in terms of what's happening in our international tourism market. It's changing very rapidly; we've got a lot work to do to keep up with these international changes. There are tremendous opportunities for introducing new tourism products to the world in our local, multicultural areas, in our States, in our regions and in our local communities.

I might just quickly cite one important statistic from a worldwide perspective to give you somewhat a flavor of just how important tourism is in the world. According to the World Travel and Tourism Council, in 1993 worldwide tourism is expected to contribute about \$3.5 trillion to the world's economy. That's about 6.1 percent of the world's gross national product. It's giving the world 127 million jobs, or roughly one out of every 15 jobs worldwide is in travel and tourism; so certainly from a worldwide perspective, tourism is very important.

From a United States perspective, international tourism and domestic tourism is a \$380 billion industry, a tremendously large industry that provides jobs—particularly creates jobs very rapidly—and is certainly a most important income-producer. In 1991, employment in the industry generated some \$91 billion in payroll and some \$300 billion in total receipts and some \$47 billion in taxes paid; so as one can see, the tourism industry in the United States certainly is very important.

What I see as the growing aspect as far as the United States is concerned is our opportunities in the international marketplace. International tourism in the United States is one of the largest exports—in fact it's our largest business export—and certainly with respect to international tourism to the United States, last year, 1992, we had some 45.2 million international visitors to the United States. They spent something like \$73.1 billion. It's a fast-growing market and it's been growing in double digits since 1985.

It's contributed heavily to the international trade deficit in a favorable way. In 1992, we had a \$20.8 billion trade in tourism surplus. In brief, the trade deficit of the United States that we've been suffering from for so long would be much, much larger if it weren't for the positive aspect that international tourism has had on the trade deficit. In 1993, we expect there will be some 43 million international visitors to the United States and they'll spend something like \$77 billion. By 1994, that figure will be 49 million, with an expenditure figure of \$84 billion. In total, in terms of both domestic tourism across the United States and international tourism added to that, by 1994, we will be way over \$400 billion in terms of the contributions from tourism to the United States. In other words, in my view, certainly international and domestic tourism probably offers the greatest economic opportunity, greatest job creation opportunity, the greatest stimulus in a short time that this economy could possibly have.

In addition, one of the aspects with respect to my agency, the U.S. Travel and Tourism Administration, there's been a specialized effort to get the local communities, the States and the regions across the United States to join up with U.S. Travel and Tourism Administration so that we in unison can promote our tourism products in the United States to the world. We feel that we have some very, very successful tourism programs.

I'd like to just mention one of those programs that has to do with Louisiana. A recent example having to do with the Mississippi River Country—I hesitate mentioning the Mississippi right now, because I just came from flood-stricken areas last Friday, Saturday and Sunday, and I must say we need to do all we can to let people of the world know, while some of those areas are in great jeop-

ard—there's a tremendous amount of opportunities for international tourism to the areas that have not been flood-stricken. Certainly CNN overseas gives a perception that, in effect, almost the whole Midwest is underwater. We need to counter that perception so that the international visitors will continue to come to those Midwest communities that have not been impacted by the flood.

We've had a special program going on called Mississippi River Country. It's been a regional organization program. It includes Louisiana and nine other States, Minnesota, Wisconsin, Illinois, Iowa, Missouri, Arkansas, Kentucky, Tennessee, and Mississippi. In working together, we have been able to promote this region very effectively in the Japanese marketplace. We are now reaping the rewards from that very successful program. We have many other kinds of regional programs that have been very, very successful and many in which Louisiana has participated. We simply feel that a lot of those regional programs, as well as some of our recent Outreach Programs—we've just begun a number of outreach programs that would help the States and cities and local communities develop and recognize which international marketplaces are the best places for Louisiana's specific tourism products to be involved in.

In that regard, in 1993, we have developed and are putting on three educational seminars. In September in Miami, another one in Newport, Rhode Island, and another one in St. Louis, Missouri. Again, these have been designed to provide the basic do's and don't's and the how-to's in planning and entering and promoting in travel markets abroad. We are gratified with the very enthusiastic response we have been getting with respect to these seminars. Having come from and been reared in and worked in a rural area in Kansas, I am gratified to see the response that we've gotten from, particularly, the rural communities as far as the outreach seminars are concerned.

One of the most recent trends in tourism to the United States has been rural tourism. In effect, 75 percent of the international visitors to the United States are repeat visitors. They have been to the big cities. They've been to Los Angeles; they've been to New York. They have come back again and they're saying, "We want to see real America," which may be interpreted for them, as "rural America." They want to see the heart, the culture, the soul of the country. They are very interested in visiting our rural areas.

Our rural areas offer these international visitors the opportunity for special day trips out of some of the cities: Unspoiled nature and birding opportunities, hunting, fishing, glimpses of the unique folklore, music, culture, foods, and folk cultures that may not be available in some of our larger cities. At the same time, we've been able to use some of the larger cities—for example, just yesterday I spoke in Kansas City. It had to do with using Kansas City as a hub to get the visitors in and its spokes would be going out to the rural communities: Lexington, Missouri; Dodge City, Kansas; or Fort Scott, Kansas; the James boys' country in Missouri, and so on and so forth. So we can work both the metropolitan communities, which very often attract the international visitors, into special programs in the surrounding rural areas. This form of hub-spoke concept is one that's new and is working in some parts of the country.

In promoting our under-utilized areas, the United States capitalizes on the drawing power of some of the better-known destinations, and then using the under-utilized destinations in combination with these. It's been a good concept and it's worked very well in some of the communities across the country.

In 1992, the U.S. Travel and Tourism Administration put on its first national rural tourism conference in Kansas City. It was so well received, with more than 40 States, even some foreign countries participating in it, that we did a second national rural tourism conference in Rapid City, South Dakota, this year. The whole concept behind this rural tourism conference is to develop a pattern—to develop a train-the-trainers concept so that we can have a cadre of people in all of the States, in the local community, that can provide help to the rural areas who want to use—who want to develop them, who want to be a part of using tourism as an economic development tool in the rural areas.

We have found that this concept works very well and that it also develops networking relationships amongst the local communities and States so that each one of these communities can call upon each other, compare their success stories. One of my favorite success stories will be described later this morning by my dear friend Mayor Marcantel from Jennings, Louisiana.

We also offer some specialized tourism approaches that help develop rural communities. I'm just going to mention two very, very quickly, even though we have many more. We have developed, just this last year, a special user-friendly, how-to guideline called Tourism Development, A Guideline for the Rural Communities. This is available to any of you. All you have to do is contact my office, and I'll be more than pleased to see that you get a copy. Again, it's written in very simplified language. It simply gets to the heart of the matter very quickly and it's very user-friendly.

In addition USTTA provides an overall tourism awareness piece, in the form of a publication called World Tourism at the Millennium. It describes some of what may happen to tourism between now and the year 2000. That's what this publication deals with. Again, you're very welcome to it, and if you would like a copy, just contact my office.

Very quickly moving over to some of the aspects that I see with respect to how important travel and tourism can be in Louisiana and some special kinds of activities that you might want to think about, let me just quickly point out some of my thoughts based on my many trips to Louisiana. Certainly one aspect I've mentioned, and that is the State of Louisiana and all its communities should be working from a local, State, regional kind of basis with the USTTA, particularly in the international marketplace, because we feel international tourism gives the greatest bang for the buck, so to speak, in these kinds of regional programs. The following comments that I'm going to make point out what I feel is some of the more important aspects for Louisiana.

First, I think Louisiana, no matter what the community in Louisiana is involved in, should think globally. I say that in the context that the international visitor spends six times as much money as the domestic visitor, so we want to go after those international visitors. They spend a lot of money. They stay in our hotels. They

rent our cars. They eat at our restaurants. They buy our goods and services, and we need to make sure that those international visitors get into Louisiana, and then we need to make sure that the State of Louisiana has Louisiana-made products for purchase. I'm trying to get a lot of products made in the United States into the marketplace for the international visitor. I'd just as soon not have that international visitor coming over here and buying products made in Japan. I'd rather have them buying those products made in Louisiana.

Second, those dollars that those international visitors spend in Louisiana are more powerful dollars. They're not just the recycled dollars within the State, or the recycled dollars within the Nation; they're fresh currency and our economists tell us that that fresh currency has a greater multiplier effect, not only with the State, but within the Nation. Thus, those international visitors are very key to us, because they provide us with new fresh dollars.

Third, it's very important that we think about the international visitor in Louisiana because the taxes paid by the international visitors on tourism services yield a higher benefit to the State and Nation because such visitors utilize only a limited amount of the services that they pay for. In other words, they don't use the school systems and the fire departments and so forth, but they help pay for them. So let's get more of them in here to help pay for those kinds of services.

Fourth, the international tourism expenditures help create jobs more quickly. They help generate a greater number of jobs in a broader base, because they use more of our tourism facilities than do most of the domestic visitors, and this is an opportunity, at the same time, for Louisiana to showcase some of its new tourism products.

Fifth, in the next few years, we're going to have some very key events in the United States that I think will help tourism across the country and certainly in Louisiana. We've got the World Cup in 1994, so in nine cities across the United States you're going to have a huge number of international visitors coming for the World Cup. They're going to see the games, but they're also going to stay and visit the United States. They're just not going to visit the city or community in which the games are being played. They want to visit across the United States. While we've got those international visitors, and some of them are going to stay 4 to 6 weeks, let's get them to Louisiana. It's a tremendous opportunity.

Certainly, also the Olympics is coming up. Maybe a lot of the action is in Atlanta and some of the surrounding communities, but, again, when we get those people here, they go to the Olympics, but they stay a long time and they go visit other communities. We need to take advantage of that.

Sixth, we need to recognize that the tourism industry represent small businesses. Over a million businesses are related to tourism, but 98 percent of those are small businesses, and very often we need to work together cooperatively with our small businesses in order to get this better realized as far as our international tourism is concerned.

Seventh, tourism plays an important economic role in terms of stimulating improvements in roads, transportation systems, agri-

culture, food processing, construction, and so forth. In other words, all of those activities, all of that infrastructure that we need for tourism, will help come up about if we can stimulate those visitors to get that money in here. Then we're going to be interested in making a lot of the other kinds of improvements that are not only important to tourism, but that are important to the local people as well.

Eighth, the local benefits from tourism are usually in such categories as employment, income, diversification of economic base—very important—tax revenues, visibility and cultural benefits. If I had time I would tell you about an activity that I've been working with New Orleans about a multicultural effort to attract international visitors. This is a tremendous opportunity to move in that direction.

Ninth, most recent surveys have indicated a strong desire by the international visitors to travel to areas that have recreational facilities, rural areas and clean environment. In brief, those international visitors from Japan and Germany that are in very crowded environments want to see the wide-open spaces. They want to come and visit areas and have an opportunity to see more and to share and partake in a clean environment in a recreational area. It's a tremendous, opportunity for Louisiana.

Tenth, and my last item on the list, is that there is considerable interest by the international visitors, particularly those who are repeat visitors, to see what they call "real" America, which, I think, to many of us means rural areas. This is a unique opportunity to share our local festivals, to share our local folklore, to share our local culture with the international visitor. They're interested. Our surveys show that 67 percent of the international visitors want to partake in that kind of activity and we need to provide the wherewithal for them to do that.

This analysis suggests that Louisiana should, in my view, think globally but act locally. That's a very important concept. Think about the international marketplace, but develop from a local basis, because if you think what you have to do to get the international visitor there, no matter what you do, that will also help in your domestic, local and State business as well.

In closing, just let me say that for me it's been a real pleasure to have this opportunity to be here. I suggest very strongly that we work in a cooperative way in local, State and Federal levels. We feel that we've got a good handle on what is important as far as rural tourism is concerned. Some of us, including myself, have gone out and worked in rural communities. I have spent some time, in Fort Scott, Kansas, a community where many people thought that tourism would never generate much revenue. To make a long story short, since Fort Scott started an intense tourism program a couple of years ago, tourism in Fort Scott, Kansas is up about 350 percent and has tourism from 27 different countries going into Fort Scott, Kansas. Thus a community that was about to board up some of the downtown stores and that was having real economic difficulty, used tourism as an economic development tool and it has worked.

Thank you, and I'll be happy to answer any questions.

[Dr. Edgell's statement may be found in the appendix.]

Chairman BILBRAY. Thank you, Doctor. We'll wait until the end of all the testimony to ask questions of the witnesses.

Now we've got Todd C. Landfried, the Community Development Specialist for the U.S. Department of Agriculture, Extension Service. Todd.

**TESTIMONY OF TODD C. LANDFRIED, EXTENSION SERVICE, U.S.
DEPARTMENT OF AGRICULTURE**

Mr. LANDFRIED. Thank you. Mr. Chairman and Congressman Baker, thank you for inviting me here. On behalf of the U.S. Department of Agriculture, the Extension Service, and member agencies of the National Initiative on Rural America, which I'll tell you all about if you don't know, and the Federal Tourism Taskforce—

Chairman BILBRAY. Can everyone hear him in the back of the room?

Mr. LANDFRIED. I can talk a lot louder.

Chairman BILBRAY. If you can, yes.

Mr. LANDFRIED. Thanks for the opportunity to address the subcommittee on tourism and economic development in rural areas. Before I go too far, Mr. Chairman, I want to recognize Franklin Simpson of your staff and Congressman Baker, Duane Duncan of your staff. They have been involved with us in the Federal Tourism Taskforce for the last several months, and we appreciate the interest that they have demonstrated and the assistance that they have given us in learning more about Federal agencies as we begin to reexamine tourism program. That's important to you and it's important to your constituents.

Again, since you have copies of my statement, I'm not going to bother to read through it. I just want to touch on a couple of points. For the Congressmen, I have provided two three-ring binders for you, which describe the Federal agency authorities and programs in rural development. If you'll just let me know how many more you need for other members of the subcommittee, I'll be happy to provide them. Also we've got a purple book up there which is a handbook. It is a how-two for rural development which was done by the South Carolina Department of Parks, Recreation and Tourism and the Clemson University Extension Service. Again, just let me know how many more you need, and I'll be glad to get them for you.

Communities are looking for ways to create jobs for the constituents, for their citizens. They're looking at manufacturing, at services and at tourism. They try a lot of different strategies to attract businesses or to assist existing businesses in expanding. The community offers grants, loans, or tax abatements. They underwrite training, utilities, transportation access, and they construct or improve facilities. In the past, a lot of times these strategies were sufficient to lure businesses to a community to convince them to stay, but in focusing on these types of assistance we make a very big assumption of the ability of small business to use these resources in the most effective and efficient manner. The question that I ask you to think about this morning is, do they have those necessary skills and do they have the necessary knowledge and are they hooked into the networks they need to make sure that the efforts

they undertake, whether or not it's tourism development or rural economic development, will be successful. Dr. Edgell mentioned small businesses making up a large portion of the overall tourism industry. That's very true. Patricia Hamilton, editor of D&B Reports, the Dunn and Bradstreet magazine for small business management, says that based upon several years of research, quote, "What businesses need most is help in becoming more financially sophisticated." According to D&B, managing cash-flow is always near the top of the list of problems small business managers face. Forgetting about long-range planning. The same goes for business plans; a lot of small businesses just don't know how to write one, or don't know how to write one as well as they really need to in order to try to get loans and grants, et cetera. Again, according to D&B, they don't know necessarily how to market their products outside of their immediate market area.

Now there's a lot of other studies that have made this same point. In my statement, I refer to a couple of them. They say communities don't need handouts, they need technical assistance. If small businesses generally don't know how to manage their finances, write business plans and market their products, then how can we be sure that these same businesses can manage the grants, highly trained employees, or take advantage of other financial assistance programs. Unfortunately, the fact is that we can't assume that's so. We, as Government agencies, ought to try to insure that business owners learn the skills necessary to take advantage of these different types of programs. That means making education and training programs available to business owners and operators.

Anybody that's lived in rural areas knows that the Cooperative Extension Service has a long history of providing educational and training programs to people in rural areas, mostly in agriculture and youth development. What they don't know—most of them don't—is that Extension has an expansive network of State and county specialists highly skilled and trained in rural economic development and tourism development. Since the 1940's, the extension has helped communities and business to train leaders, to conduct community assessments, develop strategic plans, conduct attractions for industries, provide specific training, and develop marketing plans.

Extension has State and community resources and economic development specialists in every State, and tourism specialists in 32 States. The Louisiana specialist is Margaret Moore, who's here this morning, and these specialists work with State agencies and local governments and private organizations and try to encourage economic development and tourism development.

The Extension Service has a broad range of programs in tourism and community development, and I'll just mention a few here. We have programs in leadership training, strategic planning, attractions inventory and assessment, business management, hospitality training, cultural tourism, festival management, marketing promotion, and brochure and video production.

I have to point out that this broad range that I have mentioned is not necessarily available in all counties in all States. Part of the nature of the Extension Service is that we are partners with State and county governments. The Federal Government is a one-third

partner, the State government is about a third, and local government is—well, actually the State's share is a bit larger—and the local share is about 20 percent.

We in the Federal Government do not tell the State what types of programs they have to offer through their Extension Service. There are basic programs that States have to provide, but it's up to the State to make the decision of what gets put on in which States, so it's important to recognize that tourism training may not be available in all counties.

In extension we have a national initiative called Communities in Economic Transition, which focuses on two areas, strategic planning, business assistance, and enterprise development. The strategic planning portion, would help a community decide whether tourism is an option for them. It takes them through a very deliberate, very thoughtful process of assessing the strengths and capabilities of the community and addressing the types of issues that could impact tourism, such as roads, infrastructure, employee skills, those types of issues. Then working within the community, and with other agencies that may already be working with them, to come up with a statement of whether or not tourism is for them. I think it is just as important for some communities to go through this process and recognize that maybe they're not in a position to undertake a tourism effort than to jump into one and after a short period of time to recognize it has failed. So it is just as important for them to say that, yes, this is for us, as it is for them to say that it is not for us.

As part of the Communities in Economic Transition's national initiative, we have another project called Our-Town, which links State, local, and Federal tourism development programs with the goal of taking a region or local area through that intensive strategic planning, assessment and training process. Our-Town consists of five phases: Coordination with existing local, State and Federal programs, leadership identification and training, which is a critical component of economic development—you can have the best plan on the planet, but unless you have the leadership there that can implement the plan, it's probably not going to go very far—attraction assessment, educational and technical assistance, which includes the program I mentioned before, and then the Our-Town data base.

The purpose of Our-Town is to help small- and medium-size tourism businesses develop and grow and then market themselves internationally and nationally. The data base is essentially being piloted in eight States right now, North and South Carolina, Georgia, and Tennessee and we're working on finalizing a pilot in Utah, Idaho, Arizona, New Mexico, Colorado, and Nevada. As a result of this assessment process and conducting the inventory of the attractions in a community as part of the strategic plan, we're going to make this information available electronically through a bulletin-board system, make it available to State travel departments, so that they can use this information in their kiosks and really expand the types of information that they have in their travel brochures to include the small attractions they may not have. These businesses really need help in marketing, and by helping the State

identify those businesses will help them develop tours using the smaller attractions rather than just the major ones in their areas.

The last thing I want to talk about is the Federal Tourism Taskforce. The purpose—let me back up. The Federal Tourism Taskforce is part of the National Initiative on Rural America, which used to be called the President's Initiative on Rural America when President Bush was in office. It was begun by President Bush by Executive order in 1991. The purpose is to improve interdepartmental cooperation and cooperation amongst Federal and State agencies that are involved in rural development.

A letter had gone out, signed by President Bush, to all governors in 1991 asking them to state whether or not their States were interested in being involved in the process. We got letters back from 38 States saying that they did want to participate, and actually it's going pretty well. There is a list in the binder, which you can refer to.

In terms of interdepartmental cooperation, a very good friend of mine called collaboration among Federal agencies an unnatural act, and that's really quite true. It is very difficult for Federal agencies to work together. Those links of communication don't necessarily exist as much as we would like. In the Federal level, the Monday Management Group [MMG] was formed to begin that process of interagency, interdepartmental communication, and it's working quite well. As a result, we've created a Federal Tourism Taskforce, which is looking specifically at how the Federal agencies that have some involvement in tourism—be it the land agencies, be it the USTTA, which is co-chair of the Federal Building Taskforce—what can we do to make sure that the programs that we make available are complementary to the ones that are in the States, that they don't compete. How can we improve them so our programs are more effective.

The Taskforce is looking into three areas of concern to the tourism industry. We're looking at the Standard Industrialized Codes study that was done by the University of Hawaii with USTTA which tries to identify those industries involved in tourism. We're comparing that with the World Travel Organization's Industrial Code Report for tourism. You have a copy of that report in your binder. We're also looking at demonstration projects, which means identifying regions of the country where the Federal agencies can collaborate and coordinate resources in a given region with the communities. We're beginning to look at how to do that. The last thing is we're trying to see how the Federal Government can establish a one-stop shopping program so somebody could call one phone number and find out all they wanted to know about the Federal tourism programs and what particular agencies they should contact.

That's all I have. Thank you very much.

[Mr. Landfried's statement may be found in the appendix.]

Chairman BILBRAY. Thank you. I hope that one-stop number comes up very fast because that would be very good for everyone.

Next I'd like to refer to Mr. G. Till Phillips, who is Acting Region VI Administrator for the Small Business Administration, based out of Dallas.

TESTIMONY OF G. TILL PHILLIPS, ACTING REGIONAL ADMINISTRATOR, REGION VI, U.S. SMALL BUSINESS ADMINISTRATION

Mr. PHILLIPS. Mr. Chairman, Congressman Baker, it's a real pleasure to be here. This is the area that—Louisiana is in Region 6, one of the five States that I represent, and you can tell by my accent that I feel at home in this part of the country.

Chairman BILBRAY. What accent?

Mr. PHILLIPS. Good for you.

What I have today is a lengthy statement that I'm not going to read, Mr. Chairman, if it's all right with you, but we'll enter that for the record. I have copies available. They're in the lobby area, so I will just do some talking as you suggested earlier.

Chairman BILBRAY. By the way, all of the complete statements of the testimony of all the witnesses today will be put into the record in its entirety, and again we appreciate you all abbreviating the length of the statements so that we can get through all of this. Thank you so much.

Mr. PHILLIPS. I'll certainly do this within probably 8 minutes. First of all let me say that I think you all have a beautiful community here in Alexandria, Louisiana. As you fly in, you see the green, you see the water, and when you get off the plane you meet real friendly people. Now that's one of the basic ingredients to tourism. I think you've already got a natural up here, so don't mess it up.

The one thing that I can't bring to you is a plan as to how to develop this area. I sure don't have that plan. I wish I did have. If I did, I'd give it to you. I think you have that plan. I think you, as local leaders and small business people, already know what you have to market, more than anyone else. We all have cultural backgrounds that we're proud of. I know from this part of the country, they run deep, and you all should be able to let the other part of the world—the other part of the world sometimes is just on the other side of the river, but nevertheless, you all can certainly market that.

Now, how do you do that? I don't know, but there are some things that are available that I'm going to tell you about that you might want to utilize. First of all, at the Small Business Administration, we do more than just guarantee loans, which—we do a lot of that right now, but I'll tell you more about the dollars at the end. We're always interested in dollars, and I'll get to the dollars, Mr. Chairman, at the end of this, if that's all right.

First of all, you may need help in putting a plan together. In a lot of smaller communities, smaller than Alexandria, the mayor can also develop the plans, and you may need some of the, quote, "expert" help in doing that. Well, there is a system available right here in the State of Louisiana, certainly through your State agencies, but also with your schools and universities. We have what we call the Small Business Development Center that most of you are familiar with. In the State of Louisiana today there are 16 of those schools, universities, that are participating with us. I say with us—SBA has provided about half of the capital to fund that project and the State is coming back with the other half, so it is not just led by the Federal Government, it's also your local government. They can

assist you a lot in going into businesses—small businesses going into business—to develop a plan. For the community's sake, you may need a larger plan. That will also be available through a Small Business Institute, which is located in 12 of the universities, Congressman Baker, in your State here, that's doing a real good job. Up until 2 years ago we couldn't do that. The Small Business Institutes were not available to help communities in developing a plan, an economic development plan for their area. Today, they are. The SBA will pay the cost of that to the university for their time and their effort in developing that plan with you. I think if any of you are representing small communities, you may not have an economic development specialist. If you come from a town like I came from, we had to have a volunteer mayor because we couldn't pay for him. We sure didn't have an economic development specialist like some may have in your larger communities. I would make it available, if I were you, to my community by accessing that program in one of the various schools or universities, and the list is provided in this statement, [in the State of Louisiana] who to call and where to go.

We overlook many times the very thing that might make our home community attractive to other people outside of it. The bed and breakfast is one thing where we have a number of our loans in the Small Business Administration through the local banks that have been very successful throughout our five States. That's very small—it doesn't create maybe a lot of jobs, but it does create but maybe one or two jobs for each one of those—but you take the multiplier effect, you bring people in, they'll spend money in that area, then you add that onto it and it continues to go. Now if that seems small, it's another way of attracting outside—particularly tourism.

You have other ingredients, such as the beautiful lake that you have over here to attract people in, and there's a number of studies been made about marinas, I noticed here a while back, by the SBI, Small Business Institutes, in other parts of the country. You might be interested in that. You may want to form a marina that's a little different than those that are typically being put together—do more than just attract fishermen, “fisher people,” I guess, as somebody said the other day. I can't get used to saying that. But nevertheless, you might want to look into those kinds of—that type of assistance.

Now you couple all of that together—I think I said earlier it becomes a—it's your plan. It's your community, your cities and parishes that are going to benefit, so it's got to have the local leadership, the local flavor to it. I wouldn't dare bring somebody from outside of here to say what you should be doing. I think you ought to be the driving force in that effort.

Now, you usually find, when you put a plan together, that a lot of things happen. First, you've got a marketing plan—that's probably going to be one of the first—then you come on down and finally you get into the financial plan. That means where are the dollars going to come from?

As far as putting the plan together, as I said, there's assistance available for you, basically at no cost right now, through the Small Business Institute. Now next thing you're going to need is small businesses, and that's who I'm promoting is small businesses. We

know today that the small businesses in America, that 50 percent of them start out with \$10,000 or less. That is kind of astounding, because a lot of people can borrow that much on a credit card nowadays, but that is available. Now there is also, of course, in SBA—we have guaranteed loan programs through your local bank. We can go up to \$750,000 guaranteed. Normally those loans will go up to 7 years; they can go to 10 in some cases.

There's another program that's really just on the horizon. It's in place, but it's not being used right now in Louisiana. It's just beginning, and I think you're going to see this, is the Microloan Program. The State to the north of you, Arkansas, I know they made 20 percent of all of the microloans in the United States. Of course that was sponsored by the Senator up there in his home State, so it got a lot of attention there. They got a lot of media attention. They are now using that. That means a loan can be made up to \$25,000 by another entity other than a bank—should be a nonprofit, nongovernment-type entity, comes out of the Chamber, et cetera and et cetera. You may form those in your areas here, is what I'm really saying. If you need help in that, then contact us at SBA and we'll tell you how you can get that under way for your own community, to get a loan up to \$25,000, and I'll give you a little bit more background about that.

The money actually put out to your community or development organization with SBA, we can go up to \$750,000. It doesn't have to be that high. We're getting out of the loaning business at that point and you loan them money and you service that loan, because a lot of banks don't want to fool with a loan that small. This way it helps the banks and the banks very much encourage that type of a lending organization in the communities. Then you can make it

The SBA can provide, we're not in the grant business, but we can provide a grant up to about one-fourth of that amount of money to go ahead and administratively operate that program, so there's some pluses, and you do not have one in this area, and if you want to find out how to get one under way, well, contact us and we'll help you with that.

Now we'll talk about—I'm already into capital and into money, if you don't mind, and I've still got about 2 minutes left and I'll finish up with this. The loans that are being made today by SBA here in Louisiana seem to be very helpful. We're running real good as compared to a few years ago, the loans that are going out and guaranteed by the Small Business Administration over this region is now 88.4 percent current. That means that of all the loans made, those that are not 60 days past due—88.4 percent of them are not. That beats Master Charge or Visa, by the way. Now that doesn't mean that the others are going to be losers; that means the others are just slow-paying. Some of you in small businesses know you have slow-pay people. Some of those are slow-pay, so—we feel that the economy is recovering slowly, but it's healthier, particularly in the rural areas.

We're making more loans today in the SBA than we've made before in the rural areas. We've doubled the loan volume in this region, in rural areas, quadrupled the amount of dollars going into the SBA guaranteed loans, so there's movement out in the rural areas. There is a lot happening there today, and we're seeing that

the failure rates are lower in the rural areas now than in the metropolitan areas in our region.

I encourage you to look to the future. It's right here with you. You are the leaders here today, or you wouldn't be here if you weren't interested in this topic. I think you have a beautiful area, as I said earlier. I think you have a lot to offer. Count on us. We'll be glad to help and work with you any way we can. We have a district office in New Orleans. We have also a duty station in Shreveport. I'm in the regional office in Dallas, so if you're having any kind of situation, to get the right contact, call me. I'll be glad to help any of you with that. Thank you.

[Mr. Phillips's statement may be found in the appendix.]

Chairman BILBRAY. Thank you. Now we'd like to ask the mayor of Alexandria to make a few statements about tourism and tourism's effect on this fair city.

TESTIMONY OF NED RANDOLPH, MAYOR, CITY OF ALEXANDRIA, LOUISIANA

Mr. RANDOLPH. Thank you, Chairman Bilbray and Congressman Baker. Welcome to Alexandria. We appreciate all of our guests being here and hope you'll be tourists and do like most tourists, and that is drop money in our stores, eat in our restaurants and those kinds of things.

Chairman BILBRAY. I'd like to point out, I tried to last night, but I thought that like in Las Vegas everything would be open until—all night long here, and I walked down the street and didn't meet a soul, but I would like to.

Mr. RANDOLPH. Sunday nights are unusual here.

Chairman BILBRAY. Wait until you come to Las Vegas. We'll show you what a Sunday night is really like.

Mr. RANDOLPH. I'm going to try in a very brief period of time give you somewhat of a glimpse into what a large town or small city, if you will, within a large rural area is doing as far as tourism and economic development and cultural affairs and that kind of thing. Tourism for Alexandria and Central Louisiana is becoming, and in certain respects already is, a big business. It's an integral part of our overall economic development effort.

The city of Alexandria is the largest populated municipality in Central Louisiana, serves as the hub of many things, including retailing, cultural life and tourism. We are interlocked with the region in providing a vast array of tourist opportunities. Even the Louisiana Office of Rural Tourism Development in its evaluation report for four adjacent parishes identifies what is a somewhat forgotten interest for tourism, and that is the vast number of historic homes and plantations in the area, and describes the opportunity for the region to promote the area as a spiral or day trip, from Alexandria out into the outlying areas, to see those sights and visit them. It further identifies Alexandria for shopping and night life and other cultural areas and historical tours. Therefore, Alexandria is actually promoting rural tourism by developing our shopping and night life and other cultural activities.

The Bureau of Conventions and Visitors here in our community, which is supported by many entities, including the city of Alexan-

dria, in many ways helps both the entire area along with the city of Alexandria. As a matter of fact, in recent years, Alexandria and the area attracted a significantly increased number of bus tours, showing an annual growth with the lure being exactly the accommodation identified just a minute ago.

The city of Alexandria, through its council and its administration, certainly recognizes the importance of tourism and its economic opportunities. I recently completed the Alexandria 2010 Comprehensive Development Strategy, which is driven by the need for planning and for economic development opportunities, that includes the promotion of tourism activities. Some of the specific strategies include making the access between our Interstate 49, which I'm sure you realize is being completed—it's not quite completed yet—and MacArthur Drive, attractive and convenient by creating gateways at the north and south connections, including signs, lighting, pennants and landscaping improvements, and guiding the placement of new buildings.

The city at this very moment is negotiating with Louisiana Department of Transportation and Development for a planning grant to accomplish some of this strategy. Also, corridor design improvements have been made to facilitate traffic between establishments, enhance the overall physical appearance and adapt a more human scale.

The Alexandria 2010 Comprehensive Development Strategy also dictates that Alexandria continues to support the vitality and the viability of its downtown through the establishment of economic incentives and physical improvements, including promoting tourist activity through the provision of adequate and convenient parking and the addition of an exhibition hall at the Convention Center, and that these assets will be physically and economically linked with the riverfront in attracting new activity.

Implementing this particular strategy, the city has planned and budgeted a multilevel parking facility downtown and also an overall 100,000-plus-square-foot exhibition center overlooking the Red River and connected to the two downtown hotels. These facilities should increase our convention and visitors' totals from already a historic high of between 85,000 and 100,000 people per year to well in excess of 100,000, to allow the area to capture not only more and larger State-type conventions and meetings, but also the multistate and small national conventions, and allow them to exhibit large products that are denied by our present facilities.

The city government itself is heavily involved in supporting tourist attractions, including monetary and other support for our nationally accredited museum; our River Oak Square, which is the home of local artists, where they do their work in various studios therein provided; our City Park Players, which is an organization that provides our region with fine theatrical plays; the first and only, so far, African-American museum in the State of Louisiana, located in the actual boyhood home of one of our Nation's literary giants; the Rapides Parish Symphony Orchestra; our main festival, Cenla-bration, which provides music and fun for thousands of families every year; and the city actually operates and owns our nationally accredited zoo, with help, tremendous help, from Friends of the Alexandria Zoo, which is the private sector, of course, where

we entertain in excess of 150,000 visitors from all over Central and South Louisiana annually. We have worked closely with the local Historical Society and have actually helped sponsor some of the many historical markers that you see in downtown Alexandria and Pineville, and I believe the Chairman saw several of those markers last night.

Chairman BILBRAY. I think I read every one.

Mr. RANDOLPH. It's a place where not only our tourists and guests, but also our students, children, and our citizens in general can learn more about the history of our area. We're very proud of that. We're working with the Red River Waterway Commission, which is the organization which oversees the Red River Navigational Project that I'm sure—I know Congressman Baker is familiar with and I'm sure Congressman Bilbray is familiar with that because it comes up every year in the budget in a big way. We're working with them to restore and significantly mark our Civil War forts across the river and add extra-added tourist attractions there, especially in this day and time when the Civil War is becoming more and more popular as a topic of visitation and discussion and reading.

The city operates and maintains the Levee Park in downtown Alexandria facing the river, which was built by the Corps of Engineers and the Red River Waterway Commission, under their auspices, which is a beautiful park and coincides and ties together nicely with our already existing city park system. The riverfront part—you should all go look at it. It's right back here across the levee. It's got—

Chairman BILBRAY. I walked it last night, too.

Mr. RANDOLPH. Did you read about it? It's got a 2,200-seat amphitheater, boat launch and parking for the cars, launches to get on the Red River now where you can ski without impediment, and picnic tables and that kind of things. It's a wonderful extra tourist attraction.

I guess the most significant story in our entire region in modern times is the closure of Egland Air Force Base and its planned reuse. The community working together, not giving up, has made the reuse of that facility already a success story, which has become well-known beyond our borders. This economic development activity is not only bringing in and will bring in more jobs for our Central Louisiana community, but with it a promotion of tourism. For example, some have called the Air Heritage Park and its display of airplanes the best in the area, but now through the efforts of the community, once they get along with the city government, we have succeeded in preserving Air Heritage Park at the New Egland Industrial Air Park and community, and it will provide a fascinating stop-off point for tourists and site for reunions of units stationed at Egland Air Force Base for the past 50 years.

We're trying to keep our community clean. Through our recycling program, which won a first-place national award last year, and our antilitter program in general, which is sponsored mainly and driven by Cenla Pride and our Keep American Beautiful Organization, with help from the city government, Chamber of Commerce and citizens in general, we have won first-place national awards for our cleanliness, and our neighborhood group has won—

in particular has won a first-place national award for that type of activity, all of which dovetails with the attractions to make our city more attractive in inviting people to come here as tourists and hopefully eventually as citizens and workers in our community.

In a nutshell, that's an overall view—not nearly all that's going on here, but I thought I would give you a brief overview and I appreciate the opportunity.

[Mr. Randolph's statement may be found in the appendix.]

Chairman BILBRAY. Thank you, Mr. mayor. Our last first panelist is the mayor of Jennings, Louisiana. Mayor Marcantel.

TESTIMONY OF GREG MARCANTEL, MAYOR, CITY OF JENNINGS, LOUISIANA

Mr. MARCANTEL. Mr. Chairman and Representative Baker, if you would allow me, I'll see if I can get this lined up very quickly.

Chairman BILBRAY. I'd like you to know that the mayor has taken a 40-minute slide presentation and cut it down to 5 minutes.

Mr. MARCANTEL. I know everyone will appreciate that.

I appreciate the opportunity to come and address your committee. I understand that what you're looking at today are solutions and programs that are being offered by the Federal and the State governments and what might be offered in the future. Jennings, we are told, has been held out as something of an example as at least one community that was able to seize on a number of the different programs that are available and turn them to our use. To give you an idea of where we were just 4 years ago, the city of Jennings was completely dependent upon the oil and agricultural industries, which, as everyone knows, in the mid-80's cratered. Jennings was left with 25 percent unemployment. Our city budget was cut by 20 percent. We lost \$1 million out of a \$5 million budget in the space of 2 years.

The city has 11,500 inhabitants, and most of our Main Street was empty. We had 28 empty buildings and we lost 10 percent of our population. We were, in a word, having hard times. One of the things that we felt that we could do was to seize upon tourism as an economic development tool. It seemed that this was one of the ways that we had to more quickly tie in economic development than the traditional smokestack chasing, which can take many, many years and is sometimes successful and is sometimes not successful.

Doing a quick assessment of our situation, our strongest point by far was our location. We're located on Interstate 10 in Southwest Louisiana, and we're the midway point between Houston and New Orleans. We're midway between Baton Rouge and Beaumont. We're midway between Lake Charles and Lafayette. There are several million people easily within a 3-hour drive of Jennings, 40,000 people a day going by on Interstate 10, but we were not taking any advantage of that. We weren't getting them off to come into our community, so this is where we started from.

Now if I could make one statement to the local people and also to Government—I've had an opportunity to speak to about 30 different cities in Louisiana about our success in this particular endeavor—and that is that you have to be innovative. You've got to

change the way you think about the way city government delivers services. You can't just deliver the traditional services, because as we found out in Louisiana, you deliver them to fewer and fewer people, with less and less money, because they've left. The State of Louisiana, as a whole, lost 10 percent of its population in that period.

We knew that we had to be innovative. We had to think of different ways. Well, the first thing that we thought of was the fact that we had this beautiful park sitting right on the interstate interchange at Interstate 10 and Highway 26 at the Northern boundary of our city, and it had been built in 1976, by the way, with a Bureau of Outdoor Recreation grant through the State Department of Culture Recreation and Tourism. There's the first example of Federal money that has been beneficial to the city.

The problem is that it had been left in that State for approximately 14 years, with no real attempt to try to develop it. The local people used it quite a bit, but it seemed like the opportunity was there to create a tourist information center, again, to get people off of the interstate. With the help of the Chamber of Commerce, we were able to begin the process, January 1, 1989. Prior to that period of time, the city of Jennings, as I said, was at ground zero. We had no one coming, no one stopping for tourist information. There was a small amount of information available at our Chamber of Commerce, but it was located downtown and so virtually no one stopped. When we opened in January of '89, the Chamber of Commerce agreed to locate into this old Acadian house which had stood empty for many, many years. In the first 6 months of 1989, we entertained 1,007 people. That's how many stopped to get tourist information, which was an enormous increase, but still not nearly the numbers that we felt we needed to do us any good economically. We needed to figure out a way to get more people off the interstate.

When you talk to anybody in tourism and you talk to people from out of State, about what do they want to see, the single answer you get the most is alligators, and there is no place for an out-of-State tourist to just stop and see some alligators. You can take the Creole Nature Trail. You can go to a number of different places, but you couldn't just get out and see an alligator, not until now, at the Chateau des Cocodries. We're talking about innovation here.

I'd like to tell you that the townspeople thought this was a brilliant idea. In fact, they thought their mayor had gone completely nuts. What in the world do we want to build a "dirty, slimy mud pit with a few mistreated alligators?" That was one letter to the editor. You should see the potholes in front of that gentleman's house.

Did it work? Numbers went up dramatically. After we opened the Chateau des Cocodries and put a couple of billboards out on Interstate 10—here again, we were very, very subtle. We put a giant cut-out of an alligator that said, "See live alligators. Free." We don't leave anything to the imagination. In this month, the month of June 1993, we registered 3,700 people for tourist information in 1 month. My numbers for the first 6 months of 1993 are

10,000 people stopping for tourist information. It's a 1,000-percent increase.

It didn't do us any good just to get them off of the interstate, because what tourism is about is economic development. It's about creating jobs. It's about putting money in people's pockets. We had to get them into downtown Jennings. This is what downtown Jennings looked like, a little bit like downtown Beirut.

[Slide shown.]

Mr. MARCANTEL. This was the key block that we needed to locate some kind of an attraction in Jennings, Louisiana, to get those people to come visit us, but it looked like this.

[Slide shown.]

Mr. MARCANTEL. We had to figure out a way to turn that into that.

[Slide shown.]

Mr. MARCANTEL. One of the programs that we began, and we were told that we were the first people, I believe, in the United States that did it, was that we created our own facade rehabilitation program and we used local funds to do it with. We are a part of the Main Street U.S.A. Program, which is a Federal program administered through our State Department of Culture, Recreation and Tourism, but none of the money that comes from the Federal Government can be used for bricks and mortar. It can only be used for planning. There was no money available for our facade rehabilitation, so we went and raised our own. We hit up the banks and we hit up foundations and we raised \$15,000, and then we had a study done by the USL Art and Architecture Department who came in, and they drew a picture of each building on Main Street and gave us examples of what would have to be done to return it to its original look.

We then got with the business community and we offered them an incentive. If they would redo their building according to our plan, they could recoup half of their money, up to \$1,500. Today we have done 31 buildings in a central theme and we still have money available to do about another 10 or 12. The program was so successful that we went back to the original donors and they gave us an additional \$12,500. In the meantime, for the first time ever, the State of Louisiana made facade grant money available to Main Street cities and we were able to get another \$18,000 from that.

We have seen a dramatic difference, but the key that made the thing work was the fact that the city of Jennings made a commitment to the business community. We said we're going to take this old building—

[Slide shown.]

Mr. MARCANTEL. [Continuing.] which had been closed and out of use for many years and we are going to turn it into a major attraction. We will give something to see to the people who stop at the interstate, and it's the W.H. Tupper General Merchandise Museum. It opened 2 years ago. It is the entire contents of a general store that closed in 1949, and the family was squabbling over who should get what and so nobody got anything, and it sat there untouched for 43 years. We were very fortunate that the family came forward when they saw the different things that we were doing to develop tourism, and they offered the entire contents of

the store to us. It took us 2 years and a lot of groundwork, but we opened that store 2 years ago. In 23 months, we have had 15,000 paid admissions. We were told to expect between 4,000 and 5,000 in the first 2 years and we've already seen 15,000.

Adjacent to that is a giftshop run by the city of Jennings that only offers Louisiana products, which will make Dr. Edgell very happy. We have all of our local arts and crafts—we have local artists and local antique dealers can put their goods for sale in our store. The city also committed to put in brick sidewalks and gas lighting in the four-block historic district, and we have finished the first phase of that and this summer we'll be moving into the second phase of it. It got the people involved.

[Slide shown.]

Mr. MARCANTEL. This is one of my favorite stories because this has been a drug store continuously for 100 years, not by the same gentleman. Although if you looked at some of their merchandise in it, it looks like it's been there for 100 years. He didn't want to be involved in the program at all. He thought his building looked fine. We didn't agree. Every time we talked with him, he told us it wasn't going to work, nobody was going to come, it was a waste of money, we shouldn't be wasting his tax dollars doing this. When we got open and he saw that we had 1,100 people tour the museum the day it opened, he said, "Where do I sign," and he turned his building into a showpiece. He spent \$8,000 on it, and not only that, but he badgered the two owners next to him into fixing up theirs as well, so now we've got a domino effect going on in the entire block.

We worked with the utility company. We were very fortunate. In some cases it can't be done, but in our case, at a relatively small expense, we were able to get the utility company to remove all of the overhead wires, which has opened up the downtown historic district dramatically.

[Slide shown.]

Mr. MARCANTEL. This is the latest major project that we tackled and many of you may have read about this because we got covered in People Magazine because of it, and we had a national Associated Press article that went out on it—the old Strand Theater. The inside, if you can imagine, looked worse than the outside. It had been closed down, but we were given the opportunity to premier a movie that was made here in Jennings and Lake Arthur. The name of the movie was "Passion Fish." It was nominated for a couple of Academy Awards. Some of you may have seen it. We felt that the chance to host the Louisiana premier would give us a tremendous amount of publicity. The only problem was the movie company had seen our movie theater and they said, "Not on your life will we ever premier our new movie in that movie theater." Well, it was tied up under a lease and we had to work very hard, and unfortunately we did not get the keys to the theater until the Friday before Christmas, and the premier day was already set for February 1, so we had 4 weeks and we completely renovated the theater inside and outside. The Jennings Industrial Development Board and a host of contractors tackled it and we sold 600 seats at \$25 a ticket. We raised \$15,000 in one night. We had a Hollywood premier. We had people in tuxedos and in evening dress. In fact,

one woman told me, "You have talked us into some amazing things, but I never thought I would be standing in an evening dress to go into the Strand Theater."

It now is a Civic Center for the city. We are holding more and more events in it. We started a little children's theater, we've started an adult theater and we will get a tremendous amount of very, very positive return on the investment that it took us to do this. Every community, when it's faced with what Jennings was faced with, either faces a sunrise or a sunset. In Jennings, we see the sunrise. Thank you.

[Mr. Marcantel's statement may be found in the appendix.]

Chairman BILBRAY. After seeing that, I kind of wish we had the time to see the 40-minute presentation. Very remarkable, and I'm sure that your tourism has really taken off and continued. I'm sure it is an example for many small communities of what can be done, because I know that coming from an urban center that was founded in 1905—Las Vegas only had—I mentioned to the mayor the other day—only had 50,000 people in 1960 and now it's—by 1996 will reach 1,000,000—that we don't have any old buildings, so many of us that come from urban areas are intrigued with old buildings and things that are old and just really enjoy seeing them, so not only international tourism, as has been stated, but urban dwellers that would like to see what it was like in the turn of the century or towns that have deep roots are very intriguing for many of us, but getting onto the questions so we can move to the next panel in a minute.

First of all, to Mr. Landfried. I understand that the Farmer's Home Administration is talking about changing their rules, or are in the process of changing their rules, so that tourism-related businesses will qualify. Can you give us an update of where we're at on that, or do you know?

Mr. LANDFRIED. Yes, sir. The REA is waiting for final clearance from the Undersecretary to begin the process of changing the regulations. No new regulations have actually been written yet, but they are planning to move forward.

Chairman BILBRAY. So a tourist-related business here in the future, hopefully not in the far future but the near future, would be able to come in and go to the Farmer's Home Loan Administration and get a low-interest loan over a decent period of years to fund that program? That's the intent?

Mr. LANDFRIED. That's the intent. They have already given some—in fact, I think the Secretary—

Chairman BILBRAY. Speak up a little, sir.

Mr. LANDFRIED. The Secretary has laid out some types of tourism businesses that would not be eligible, which is hotels and motels, bed and breakfast and one or two others—golf courses and resorts. I asked them specifically what would then be covered, and they said everything that's not one of those. That's the most I can tell you.

Chairman BILBRAY. The second question I have for Dr. Edgell is, would you tell me that the U.S. Travel and Tourism Administration has grants available for different areas. What kind of grants are available to local communities, for how much, under what conditions, just a little background on that?

Dr. EDGELL. Very quickly, under the 1992 International Tourism Policy and Export Promotion Act, effective in the new fiscal year, the U.S. Travel and Tourism Administration will be making grants available to partnerships between States, cities and nonprofit organizations, coming together and presenting a proposal on how they would see that their specific community could be promoted in specific countries overseas. The program, in effect, will begin with the fiscal year beginning October 1. Thus far we have had no real grant programs, with some specific exceptions, and these specific exceptions thus far have been on emergency basis with respect to grants for States that were impacted by hurricanes. In fact, Louisiana was a recipient—New Orleans was a recipient of a large grant after Hurricane Andrew, as was Florida. Hawaii received a grant with respect to Hurricane Iniki, and Guam received a grant with respect to Typhoon Omar. So we have had in the past some specific grants having to do with some specific emergencies, but under the legislation as of 1992, we will have a specialized grant program for tourism projects.

Chairman BILBRAY. So cities like Jennings or cities like Alexandria or other cities and counties could petition the U.S. Travel and Tourism Administration for a grant to go into partnership and develop programs like Jennings, Louisiana, did. You could, in the future, be part of that program where you haven't been able to do that in the past?

Dr. EDGELL. Exactly.

Chairman BILBRAY. I think that's very important for the people in the community to realize. This is brand new, too. You heard it first here and you might get in the process earlier than most cities and counties would because it is not well-known that this is going to happen.

Another thing I'd like to point out to all of you that I think it's very important that when you talked to your elected representative, both your senators and your congressmen, that they understand that USTTA is very, very important, because every other year it seems like there is a battle to abolish U.S. Travel and Tourism and to just allow these programs to be functioned by the States and local communities. I think that's why we're reaching out further with USTTA, to reach out to communities and be a partner with them in developing these programs, so it certainly encourages us to keep USTTA alive.

I'm going to switch to Congressman Baker now, then we'll come back again.

Mr. BAKER. Thank you. I just have a couple of things I wanted to request, particularly from Dr. Edgell. In your written testimony, which you didn't read this morning, you commented on problem areas from your perspective in Louisiana and, perhaps not specifically the region, but I wanted to ask if the office would be able to forward to us at a later time the information on the financial incentives, loan guarantee programs, liability insurance restrictions, tax relief for small businesses, that you cited in your written testimony as being concerns in a lot of rural communities, and if you're able to specifically address the needs of Louisiana or the region, it would be most beneficial to us in trying to formulate our plan of attack, and we do appreciate your insight.

I wanted to ask Mr. Phillips, in light of your comments about the SBDC and the SBI's that are technical resources available to us, in looking at the scope of authority for operations of both those activities, they generally are limited in geographic area. In my newly improved 6th District, I'm a lot clearer than most of them. I'm very much interested in wanting to try to start, as a result of this hearing today, a Central Louisiana Regional Economic Development. Not economic development, but specifically tourism development plan, much like Mayor Marcantel has been able to do specifically within his community, with very targeted results, much like Mayor Randolph has done in highlighting specific assets. If we're going to be successful in a big-time way, we're going to have Jennings on the map, Alec on the map, Leesville and Toledo Bend Lake on the map, all of the various resources. Is there a person within the administration's current structure that would have the ability, at our written request, to come in and meet with, say, 25 mayors of Central Louisiana and let each mayor bring his report and tell us what is it they need and you make an observation as to what we could get back, because the planning and coordination is the problem. We're all fragmented. We keep fighting for all the dollars, but there's no overall view where, no matter when the guy comes, if he comes from Egland, we ought to have a program somewhere we can put him in. Right now, I don't feel like it's coordinated to that extent. Is that some recourse that might be available?

Mr. LANDFRIED. Congressman Baker, contact me personally. We do have a district office here, but I would also use some of the regional staff to help pull that together. We can do that. As I mentioned earlier, we do have 11 of the schools here in Louisiana that are participating with us in SBI.

Mr. BAKER. Right. I'm familiar with them.

Mr. LANDFRIED. We can do that.

Chairman BILBRAY. Maybe USTTA could also send a representative.

Mr. LANDFRIED. Yes, we certainly could get the other Federal agencies involved.

Mr. BAKER. Mayor Randolph, it's sort of an open-ended thing here. If there were one thing you could ask from a Federal level coming back to help facilitate—all the development done has been on a specific grant or a specific program or something the local community has done on its own initiative. If we were to try to help Alexandria, specifically, should that assistance be informational; is it money to get I-49 finished fast or—I know there's a long list, so be nice. What do you think we really need in the way of immediate and obvious help to sort of get us to the next level? I mean, I'd love to see Jennings stories everywhere in Central Louisiana, because then I think we'd all win.

Mr. RANDOLPH. I think you could give all the leases that Egland is going to need right away, that would go a long way toward what we would like to have in this community. As Egland goes, in then the next few years—I'm being a little serious about this—as Egland goes in the next 2 years, the reuse of it, so goes this whole community and region. They're stymied with bureaucratic red tape in negotiating leases with the Air Force, during the interim, and I know that you're already helping on this, but if you spread the word, it

will help communities that are on the list and those who would be on the list for 2 years—hopefully, the transfer of the whole entity will come to the Egland Authority as soon as possible. I don't think we have a big environmental cleanup, so soon as that's done, the transfer, then we can get on with business a lot quicker. I think the tenants that would be there already would have jobs here that are not here yet, because of the down time.

Tourism in general, parks are a big thing and I know that there's grants for urban parks, that that could be looked at and enhanced, because they are few and far between. We would like—in our Alexandria 2010 Strategy Plan it calls for connecting all of our parks in one way or another, either jogging trails, bicycle trails or whatever, and that would include this riverfront park and all our parks that are small and large. It would really tie in to make it very, very attractive not only to people here, but to tourists in general, and that's what we're zeroing in on here today.

Mr. BAKER. You're exactly right about that.

Mr. RANDOLPH. That would be a great help, and then the information such as he just gave us about the travel grants and those are things that we need to know about, because we would certainly put our resources to work and go after them and get our share and promote our area even better.

Mr. BAKER. Thank you.

Chairman BILBRAY. Certainly with this group we have a lot of other questions we would like to ask, but we do have two other panels and we have one hour to complete them, so I'd like to thank all of you for the excellent presentations. It's been one of the best I've had in any of the hearings across the country, either as Chairman or a member of the subcommittee, and I'd like to thank you all for coming here and Mayor Randolph for traveling about 20 feet, but the rest of you for traveling longer distances. Thank you, again. We'll take about a 1-minute break while the next panel comes up, so anybody that needs to go outside, this is your opportunity.

[Brief recess.]

Chairman BILBRAY. Our middle panel, Panel Number 2, I should say, is our planning panel, and on it is Mr. Robert Wagner, executive director of the—and I will not attempt to say—Kisatchie Delta Planning and Developing District in Alexandria; Mrs. Linda Curtis-Sparks, executive director of the Sabine River Authority from Many, Louisiana; Mr. Charles A. "Buck" Vandersteen, executive director of the Louisiana Forestry Association of Alexandria, Louisiana; and Mrs. Dianne Christopher, Chairman of the Mayor's Commission on Tourism from the town of New Roads, Louisiana.

We'll start first with Mr. Wagner.

TESTIMONY OF ROBERT C. WAGNER, EXECUTIVE DIRECTOR, KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Mr. WAGNER. Thank you, Chairman Bilbray and Honorable Mr. Baker. I'm greatly pleased to have the opportunity to discuss rural tourism in Central Louisiana with you this morning, and I'm also pleased to observe this committee's concern and interest in rural

areas, particularly with respect to tourism with its potential for preserving and enhancing the economic viability of this part of the Nation.

This agency, the Kisatchie Delta District was organized in 1967 to respond to the rural economic development plan initiative offered by the Public Works and Economic Development Act in 1965. This legislation created the Economic Development Administration under the Department of Commerce and provided matching funds for local economic efforts. In the initial economic development program developed by the staff and Board of Directors of Kisatchie Delta, tourism was recognized as an integral part of the region's efforts. This came in, I would say, in 1968.

To briefly outline some of the activities we've been involved with over these 25 years—and I'm just hitting the highlights—the first one I must mention is the Kent House in Alexandria. Early efforts included the nomination of the Kent House here in Alexandria to the National Register of Historic Places. This designation qualifies this 195-year-old house, which is owned by the State of Louisiana, through donation by a local preservation group, with Federal financial assistance for restoration, a grant from the U.S. Department of Housing and Urban Development was secured with financing—matching assistance from the State of Louisiana, the house was restored and opened to the public in 1975. To date the Kisatchie Delta operates Kent House under contract with the Louisiana Office of State Parks and with the Friends of Kent House, a local support group, and Kent House has become the premiere tourist attraction in the Alexandria area and hosts approximately 10,000 visitors per year.

Historic sites in the region have been mentioned in earlier testimony, and I totally agree with their significance as a tourism draw. For a number of years during the 1970's and the early 1980's, the Kisatchie Delta secured matching total funds through the Historic Preservation Act of 1966, which ordered a survey of all properties and sites over 50 years old. From this inventory came nominations to the National Register of numerous facilities throughout Central Louisiana. This designation greatly enhances the reputation and appeal of National Register properties to the typical tourist, both domestic and foreign. I might point out that in 1970 when we started, there was zero properties in Central Louisiana on the National Register and nothing in this eight-parish area. There are now 130 properties in nine Central Louisiana parishes on the National Register, and the first one was the Kent House in 1971.

I might mention Natchitoches in our region, and I'm speaking from a regional standpoint that spans from the Texas border in Leesville, Ft. Polk, and Vernon Parish all the way across to Vidalia and the Mississippi River on the east. That's the territory I covered. Natchitoches contains a 33-block national historic landmark district. The only other in the State is in New Orleans. Also in the Natchitoches area are two national historic landmark properties. These are two of the highest designations awarded by the Federal Government for historic recognition to Central Louisiana's tourists. Potential studies just completed recognize these historic properties and recommend historic homes, Civil War history and World War II history as key ingredients of an expanded tourism industry.

Many of us locally know that there were five bases in this area, and we still have Ft. Polk, despite the closing of Egland Air Base, so there is a very significant military impact here that is very popular and recognized by many people.

Toledo Bend Reservoir has also been alluded to, and I know you will hear more about it in a minute. My only comment on that at this point is that in the early 1970's, Kisatchie Delta worked with groups in the Toledo Bend area in an attempt to secure a major resort. Although that resort did not develop at that time, I am very pleased to note—and I think you'll hear more about it—there is a current effort to secure a major resort at Toledo Bend.

The Colonial Trails and El Camino Real—the El Camino Real is a well-established historical route developed by Spain in the 1600's between Mexico City and Natchitoches, Louisiana, passing through San Antonio and across the State of Texas. The Natchez Trace is another well-known historic trail between Nashville, Tennessee, and Natchez, Mississippi. The Natchez Trace, of course, is a federally operated historic trail. Kisatchie Delta, working through its regional tourism planning committee, secured a \$50,000 grant in Federal funds for a research effort to link these trails across Central Louisiana. We saw a situation where tourists were coming from the west of Natchitoches and going north or south, or coming from the east down to Natchez and turning north and south, but our effort was to try to pull them across Central Louisiana. We were able to identify a network of trails across Central Louisiana that was used between the Statehood in 1812 and the Civil War of 1860 to settle Louisiana and Texas to the west. In fact, our researchers have documented that the largest number of people migrating west in those years came along this route. It's not a single trail. Because of the peculiarities of our geography and our flood areas and so forth, it was a network of trails. Most originated across the Mississippi River and Natchez, and most exited the State either at Natchitoches or at Leesville. So that network of trails has been recognized as Louisiana Colonial Trails, and we, to this day, are promoting that.

There is now a proposal pending to establish a federally recognized historic corridor across Louisiana and Texas following the El Camino Real and the Louisiana Colonial Trails and offering great potential for further development.

I'd like to go back and mention the World's Fair of 1984, because that was the catalyst for some things that happened in Central Louisiana. The '84 World's Fair offered Central Louisiana an opportunity to exploit the thousands of visitors from throughout the world during that 6-month period. With financial assistance from the State, Kisatchie Delta conducted an aggressive campaign to accomplish two goals: Publicize the fair in Central Louisiana, and, more importantly to our economy, to encourage visitors from the fair to travel through Central Louisiana and to stop and enjoy the attractions offered here. The main thrust was to encourage tour bus operators to make overnight stops in Central Louisiana while traveling to and from New Orleans. These buses originated in the Midwest, including Oklahoma, Arkansas, Missouri, Kansas and other States. I want to point out this emphasis on bus tours continues to this day, and our attractions across Central Louisiana bene-

fit from this type of marketing. The background of that is particularly with the loss of pure jet service into our airport here, we cannot expect to draw large numbers of tourists through air travel, so the next most practical method is through bus tours. I think the area has taken advantage of that to a great extent.

I'd like to comment about foreign visitors and that's been the subject of a lot of discussion. If you will bear with me a moment, I've got some figures from around Central Louisiana that I think will illustrate the impact of foreign visitors in Central Louisiana, which many of our folks really don't understand, appreciate or recognize the fact that we are being impacted by these visitors. There's an increasing number of foreign tourists not only visiting our major designation cities, such as New Orleans and San Francisco, but our rural areas also. While we know in a general way that this is happening in this region, I can offer specific figures in two or three areas. At the Kent House here in Alexandria, we average two bus loads of French tourists every Wednesday. These are groups of 10 to 20 persons and they total 771 visitors for the 6-month period of January through June 1993. Kent House had virtually no foreign visitors just 4 or 5 years ago. The Natchitoches Visitors Bureau has documented 325 foreign visitors just during the 60-day period of March and April of 1993. That's up from about 9 or 10 for a similar period just 2 years ago. The Tourist Reception Station at Vidalia, across the Mississippi River from Natchez, registered 880 foreign visitors for the first 6 months of 1993. That number represents 5.5 percent of the total 16,029 visitors recorded during this period. By comparison, Vidalia recorded 647 foreign visitors in the first 6 months of 1991, which represented 4.2 percent of the 15,276 total visitors recorded at that time.

At least for the home of Ft. Polk, located at the western edge of the region, their visitors bureau has registered 75 foreign visitors in the first 6 months of 1993. Their annual average is approximately 150. Their visitation is down somewhat since the Fifth Army has been transferred to Texas, and we were not able to get comparable figures on that.

These figures, though, although not all-inclusive, indicate the growth of foreign visitors. I point out that these are registrations—these are people who come into the reception stations and it does not represent the total visitation, which is very likely several times that number.

Some of the things that are particularly needed in the rural areas, or in any part of the country that wants foreign tourists, are available foreign exchange, menus and brochures and other materials printed in the appropriate foreign languages, front-line employees at the hotels and restaurants and airports schooled in the appropriate languages—tour guides, escorts, cassette tapes and other materials done in the appropriate foreign languages, and international signs for restaurants, elevators and other public facilities. These are just mentioned four or five or the type of things we really don't have in Central Louisiana at this time. These are the kinds of things you've got to do, to provide, if you really want to get serious about foreign visitors.

Finally, I want to point out seven or eight things that I think your committee might consider supporting in efforts to improve

tourism in assisting Central Louisiana. Some of them have already been mentioned by our prior speakers. The first one is continued funding of the U.S. Travel and Tourism Administration to market the United States overseas with an emphasis on rural America. I'd like to encourage the U.S. Travel and Tourism Administration to continue domestic emphasis on rural attractions. Two national rural tourism conferences, in cooperation with the University of Missouri Extension Service and Tennessee Valley Authority, are examples, recent examples, of this effort, conducted within the last few years. I encourage funding of the Lower Mississippi River Delta Commission's budget for tourism development in the seven States served by that agency. Technical assistance grants funds—and this has just been discussed to great extent in the prior session—technical assistance funds for the purpose of promoting rural and international tourism to agencies, such as Kisatchie Delta and other qualified agencies which have demonstrated interest and ability to promote tourism. Fifth, the establishment of funding of the National Historic Preservation Research and Technology Center in Northwestern State University in Natchitoches. This proposed center will be the only one of its kind in the Nation and will teach techniques in preservation and culture development. The center will have a national and international significance in this field. Sixth, establishment of the pending Cane River area under the National Parks Service. This is in the Natchitoches area also, which will provide an interpretive program for two plantations that are one-of-a-kind facilities. This area contains the largest concentration of Creole architecture in the United States. Seventh, consideration by the National Parks Service for an interpretive program at the Roque House, near Natchitoches, which is under consideration. Eighth, consideration of Federal designation of the historic corridor of Louisiana Trails and El Camino Real through Louisiana and Texas to the Mexico border. That's the proposal that's pending in Congress at this time.

In conclusion, I thank you, Mr. Bilbray and Mr. Baker, for this opportunity to outline Federal activity in the development of tourism in Central Louisiana. We very much appreciate your efforts to accomplish these goals.

[Mr. Wagner's statement may be found in the appendix.]

Chairman BILBRAY. Thank you, Mr. Wagner. In deference to the last panel that is coming on, when any of the members hits 5 minutes, I'm just going to go like that [indicating], just a little tap, then if you could then take a minute to conclude so that you know you are on schedule, because I understand from Chairman Baker—I mean—

Mr. BAKER. That sounds good.

Chairman BILBRAY. [Continuing.] that we have to be out of here at 12:30. Originally it was 12, but we're extending that to 12:30, so if Mrs. Sparks will proceed.

TESTIMONY OF LINDA CURTIS-SPARKS, EXECUTIVE DIRECTOR, SABINE RIVER AUTHORITY, LOUISIANA

Ms. CURTIS-SPARKS. Thank you, and I'll talk real fast if you'll listen real fast. I do thank you for the opportunity of you coming

into this area to listen to us, Chairman Bilbray, and certainly you, Congressman Baker. You've helped us a lot and I know that we'll look forward to you helping us in the future.

I'm going to give you a very quick success story. I want to apologize for you not having a written statement from me this morning, but I will have that to you within a couple of days.

Chairman BILBRAY. We will put it in its entirety, if there's no objection, in the record.

Ms. CURTIS-SPARKS. I'm going to very briefly tell you what we have been doing in Sabine Parish for the last 3 years. In 1989, we took a strong look at Toledo Bend Reservoir, which was in about its 21st or 22nd year of existence—a lake that was built without any Federal money. It is a very different project in that it was funded through the two States of Texas and Louisiana. Texas did some improvements on their side of the reservoir that did stimulate some economic development. Those improvements were not initially done on the Louisiana side. Toledo Bend basically has kind of developed in spite of what wasn't done, but in looking at it in 1989, we knew that in that small parish of 22,000 people the only hope was tourism, retirement and timber. That's all there is; 4,500 of the 22,000 people are retirees. They make up a great deal of the money that comes into that area. We feel that's very important. We wrote a plan in 1989, a 5-year plan, because we looked at Toledo Bend and we said, "It's not ready to market. We don't have anything to sell right now." We did a plan that included 26 roads, infrastructure roads. They were clay-gravel roads. There are now hard-surface roads to marinas and areas for retirement and other developments. We have cleared and marked, with the assistance of Wildlife and Fisheries and Federal Wallop Breaux funds, 300 miles of boat lane on Toledo Bend. Toledo Bend filled prior to the time that it was supposed to, leaving many trees unharvested, and the trees later broke off and it was very dangerous. Now you can travel the lake safely, and pretty soon we will have a road map to that lake like you have across the State. It's a 70-mile-long lake, 189,000 acres, so you need a map for Toledo Bend. We also are restocking Florida bass with the assistance of Wildlife and Fisheries and the Toledo Bend Lake Association. Florida bass is money to our area. We renovated our five recreational parks that SRA operates. The SRA generates our own funds through the sale of hydroelectric power and the sale of water, so we're a little different than some State agencies, but we have very little money to operate on considering the improvements that need to be made. We average about \$3.2 million a year. We were determined that we were going to turn the Toledo Bend area around by improving the infrastructure and increasing the visitation on the reservoir.

I really give SRA the credit for getting the ball rolling. I give the citizens of that area, like in Jennings, Louisiana, credit for making it go. They are going to make it go. The Rotary Club, the Chamber, the Tourist Commission, everybody is working together and they are going to make this project work. Now we've had 3 years under our plan. It was a 5-year plan, but we feel that we've met success. The 1-cent sales tax in the city of Many is up 23 percent in the last 2 years. Our real estate is tripling at this point on the lake. Our hotel/motel occupancy tax in the last 3 years has gone from

\$29,000 to \$53,000. We have had more full weekends or periods of full occupancy on the lake than we've had since 1974. Things are really on an upswing.

A lot of new people are coming in. We don't have the private-development yet that we need. But in that we felt that we had reached our 5-year goal in 3 years, we knew that we had to do something to stimulate additional development, to get the private developers to build hotels, restaurants, and other businesses that we needed. We hired a consultant, John Whittington, in February of '92 and we asked how can the authority be a catalyst to develop Toledo Bend? He gave us 10 recommendations, 10 priorities, that dealt with the Sabine River authority and our local police jury. They were everything from promotion to infrastructure. One of the recommendations was that we needed to jump-start the development. We needed to develop a golf course and conference center to help pull in hotel/motel development. We, at that time—the Authority committed \$3 million to the project. The State has committed \$1.5 million. Since the time of the development phase, we've now taken a \$4.5 million project to a \$9 million dollar project, and it will probably be, hopefully, with some Federal and State assistance, an \$18 million dollar project. Although Toledo Bend is located 90 percent in Sabine Parish, about 10 percent in DeSoto Parish and borders on Vernon Parish, it is also very important to the economic development of all Northwest and Central parishes in the State. A fact that most of you in this room probably don't know, is that Toledo Bend brings in about \$50 million a year to Rapides Parish in retail sales use of hospitals, car sales and boat sales. The same thing occurs in Caddo Parish.

Since we've had success in our 5-year program, we're now doing a 20-year plan. It will include four parishes and we hope to join with you and make that a 20-year plan for Central Louisiana, but I do want to assure you that we are available to you, and if we can assist any of you in your area we are willing to help. We have done what the Extension Service told us to do with our hospitality training and those types of things. We are doing what SBA said to do as far as planning. SBA at Northwestern is now assisting us in our 20-year plan. There are still some areas that we need assistance in though. Your one-stop number would be very beneficial to us.

The other thing that we would request is that we in the rural areas, real rural areas, need some Federal assistance for infrastructure such as water and sewage projects. It's now available to the cities, but it is not available to your little country areas that make up most of our parishes in this part of the State. This is essential for economic development of all rural areas. Thank you.

[Ms. Curtiss-Sparks' statement may be found in the appendix.]

Chairman BILBRAY. Thank you. Thank you for keeping to the time limit. Now Mr. Vandersteen.

TESTIMONY OF C. A. "BUCK" VANDERSTEEN, EXECUTIVE DIRECTOR, LOUISIANA FORESTRY ASSOCIATION, ACCOMPANIED BY: STEVE NOEL, SITE DIRECTOR, SOUTHWEST MUSEUM SERVICES, HOUSTON, TEXAS; AND BILL GRIGGS, PRESIDENT, SOUTH LOUISIANA SERVICES

Mr. VANDERSTEEN. Congressman Bilbray, thank you for bringing this hearing to Alexandria and welcome to our city. Congressman Baker, thank you for assisting in that effort and doing such a fine job that you are doing in the 6th District. I'm very interested in forestry, and the Louisiana Forestry Association is very interested in promotion forestry in Louisiana. The green that you talked about seeing as you travel into our city is a result of literally thousands of forest landowners, loggers, industries and individuals who have made a commitment to keep Louisiana green through the planting and wise harvesting of our natural resources. Forestry built Central Louisiana 100 years ago, as industry was moving from the East Coast to the West Coast and settled in the Central-South area. For nearly 70 years, you could take a rock and throw it from one mill to the next mill. That is past, but we still have a very active forest industry, but the culture, the history, the buildings, the railroads and all that machinery still is alive in Central Louisiana.

We located about 2 years ago an industry which closed its doors in 1969. It was the Crowe Lumber Industry in McNary, about 20 miles Southwest of Alexandria. This is an industry that represented that history of the early lumbering in Central Louisiana. We hope, through a feasibility study and now a master plan, that we can develop this into a rural tourism effort. We contracted with Southwest Museum Services, a world-renowned museum service based in Houston, Texas, to help us in this development, but along the way, it took many folks to get where we are. The USDA Forest Service was very instrumental with some early money to get us a site director for the museum effort. The Louisiana Department of Agriculture was very interested in providing us money for the feasibility study. The Louisiana Cooperative Extension Service continues to offer us assistance in capturing the oral history and their expertise in how to develop such a museum effort. Now in the private sector, the Louisiana chapter of the Society of American Foresters and the Louisiana Forestry Foundation and many private companies and individuals have all been instrumental in making this partnership which was mentioned earlier—making this partnership work.

I would like to share part of my 5 minutes with several other individuals that can capture a little bit more of the culture, the buildings, the railroads, the structures that are there. I'd first like to ask the site director, who is an employee of Southwest Museum Services, in the village of McNary, Mr. Steve Noel, to come forward with your slides. I think a picture is worth a thousand words here and this site at McNary has some of the only machinery of its kind in the Nation. You'll see that as we go along.

Mr. NOEL. This is a photograph of the mill as it stands today.

[Slide shown.]

Mr. NOEL. It's was closed in 1969. It dates back to—it's construction dates back to 1892. The Crowe family at that time had three mills running in Central Louisiana. This was 1 of about 70 mills that were running at the time.

[Slide shown.]

Mr. NOEL. Inside the mill, you can see some of the machinery. You can't see too well here, but the construction is of some of the pine and cypress that is not found today as it was when this was built. Just the machinery that was put in here—all the machinery, all the artifacts, all the tools—it was just as though the workmen had just put their tools down expecting to come back the next day, but they didn't. It's been sitting here for 25 years untouched. The Crowe family has kept 24-hour surveillance on it for nearly 25 years and now we see the opportunity to bring back some of the artifacts of what life was like back then and to show the people now, as well as some rural revitalization for the people in the area, to give them jobs in the museum, working some of the trades that their ancestors did. This is another shot of the planer mill that's there.

[Slide shown.]

Mr. NOEL. It's on the railroad that took the finished lumber off to the markets in the northeast where lumber was used to build buildings up in the northeast. There are a lot of old memories there, and we want to bring some of those back by turning this old storage place into a museum that everyone can share.

Now it's not just the mill. We've got some railroad aspects to this.

[Slide shown.]

Mr. NOEL. You can't see it too well, but right underneath all of that foliage is a 1920's steam locomotive, which we had some people who came in and looked at it and they think they can restore three of the locomotives that are on the site now. What we would like to do is use those to demonstrate how some of the logging equipment was used.

This is shot of some of the logging equipment.

[Slide shown.]

Mr. NOEL. This is very, very rare equipment. It hasn't been documented in very many places as still existing intact like this one is. This machine is going on—it's cleared out a lot of acreage in its day and it might look like the forest is coming back in on it now, like the trees want to get back at it, but this type of equipment is something that we want to showcase because it can't be found anywhere else. The mill can become a museum, a place where the community sometimes come together. They can create jobs and I'm going to just go ahead and let Mr. Griggs—

Chairman BILBRAY. You've used up your 5 minutes, so if you'll conclude it as fast as you can.

Mr. GRIGGS. I'll just very quickly—Mr. Chairman, I'm Bill Griggs. I'm the president of South Louisiana Services in Houston. I think that this is an example of a tremendous opportunity in Louisiana to create jobs, to create tourism, create national recognition, and I think that the opportunity has been afforded, at least in part, by the various agencies that are available through the Federal Government and I encourage the continued use of those.

[Mr. Vandersteen's statement may be found in the appendix.]

Chairman BILBRAY. I appreciate the presentation. Like I say, coming from an area where everything is sparkling new, it's always intriguing and it is certainly something that we're interested in.

Ms. Christopher.

TESTIMONY OF DIANNE M. CHRISTOPHER, MAYOR'S COMMISSION ON TOURISM, NEW ROADS, LOUISIANA

Ms. CHRISTOPHER. Thank you, Mr. Chairman. I can assure you I can tell you everything I know in 5 minutes.

Chairman BILBRAY. Thank you.

Ms. CHRISTOPHER. Several years ago I served on our City Council in New Roads. During that time I was our chief economical development officer and as such I went to a national convention or a conference in St. Louis to discuss the Main Street U.S.A. Program. While I was sitting there whining—I told them that I lived in a 22-mile horseshoe lake that used to be the Mississippi and that three-fourths of the dwellings on the lake are summer homes, but they're not our residents, so tourists already come to my area, but I find that they come from Baton Rouge and from Lafayette and they bring their weenies and they bring their beer and they leave us their garbage and go home. The Main Street group looked at me and said, well, what are you doing in New Roads to bring them into town? Because we really weren't doing anything.

Over half of our buildings in downtown were vacant. It really was a pretty straggly-looking place. I came home all enthused, got our City Council enthused, got our Downtown Merchants Association enthused, and the city itself created our infrastructure. We put our utilities in the ground and we redid our sidewalks, gave a city tax credit to merchants who would spruce up their facades, and with the sprucing up came business.

Now we have no vacant buildings downtown. Several new cafes have opened and we are known for our good food. I'm sure all of you have heard of Ralph and Kacoo's, the original Ralph and Kacoo's, in New Roads. We also have the best hoghead cheese and pigtails that you can find anywhere.

We have lots and lots and of antebellum homes on the National Register and we talked the homeowners into opening their homes, but we still have a major problem. If I invited everybody here in this room to go home with me today to go fishing on False River, we'd have a problem. It's 82 miles and it took me 2 hours to drive those 82 miles this morning. You've all heard "you can't get there from here?" Well, you can't get there from here. There's no such thing as passing by New Roads on your way anywhere, because you don't. The next problem would be that you would all have to bring your boats and stay at my house. There are no facilities. We have a cute little bed and breakfast, but we have no facilities for the public to stay at. There is a public boat launch, but there's no marina on False River.

My report is set out in a very straightforward and simple way. What I've done, if you want to look at it, is outline the problems we have and some suggested solutions. The accessibility, as far as

roads are concerned, is being addressed now in two different programs. The first is the Zachary Taylor Highway Bill and the second is the Delta Initiative. I'm a born-again Republican, but I will say that the Chairman of Delta Commission was Governor Bill Clinton, so I would hope that some provisions in the Delta Initiative will be addressed by Congress and certainly should have the approval of the President since he wrote them. I just hope that we don't drag our feet on the Zachary Taylor Project the way the State of Louisiana is known to do.

The next problem is the availability of lodging. Part of this could certainly be helped if we could take away the restrictions that the gentleman from the Small Business Department is talking about today. We give lip service to tourism as an industry, but the CBDG grants we're hearing about specifically eliminate hotel/motel development from their loans. We have the Breaux Bill that is available for marina development on Louisiana waters. If we could expand that bill in some way to enable local bodies to make loans to private enterprise much in the same as CBDG originally was constructed, that would help. Large towns, large cities already get lots of Federal funds through entitlement programs and then they get the lion's share of all other projects, because rural areas simply don't have the staff to apply for these grants and loans. They don't know where to look in the first place, and if they find out where to look, they have no expertise in developing these projects. I think that something that could certainly help would be a regional or a congressional district office that would assist rural areas with project applications.

The same thing for marketing strategies. Rural areas simply don't have the expertise in marketing.

Another problem we have is getting insurance. It would cost an absolute fortune to get liability insurance for any kind of water sports, for any kind of marinas. You have to bring your own boat. You can't rent a boat on False River. You can't rent any kind of water transportation there and one of the big problems there is liability insurance problems. Also, you can't get fire insurance on a structure built over the water. I had been told that Florida developed a pretty good plan and I tried to get it. In fact, I did get in touch with the people in the insurance department there and they said, "Sorry, it's not working. Go back to the drawing board." So maybe we could see what's not working about theirs and go on from there. That's about it, Mr. Chairman.

[Ms. Christopher's statement may be found in the appendix.]

Chairman BILBRAY. All right. That's within your time limit and I appreciate that.

At this time Mr. Baker is out taping a television interview, but we're going to take just a short break again to bring our next panel of witnesses up. If they would get into their seats very quickly, then we can certainly finish on time.

[Brief recess.]

Chairman BAKER [presiding]. The Chairman has kindly consented to let me chair this last panel. He must think there is trouble on the horizon, so he let me take this panel. Our next group of panelists will represent perhaps a little different perspective. We have Mr. George Barclay who is the President of the Federal Home

Loan Bank of Dallas here with us today to talk about programs already in place. We have Mr. Tom D. Fowler, the chief executive Office of Security First National Bank, who I'm sure will give us insights into credit restraints involving tourism development, as well as Mr. Garland Lawrence, who is vice president of Public Affairs for Central Louisiana Electric Co., who is actively involved in tourism and economic development in all of Central Louisiana. It is my pleasure to welcome them today.

As the Chairman said earlier, we are going to have to be out of here by 12:30 or I'm in trouble with the Chairman and everything he's promised goes down the drain. With that, I will call on Mr. Barclay for his remarks.

TESTIMONY OF GEORGE M. BARCLAY, PRESIDENT, FEDERAL HOME LOAN BANK OF DALLAS

Mr. BARCLAY. As you know, I speak rather quickly. Thank you, Congressman Bilbray, for having us here. As many of you may not know, the Federal Home Loan Bank system is composed of 12 regional Federal Home Loan Banks, with almost 4,000 community banking, insurance company and credit union members. The major activity of a Federal Home Loan Bank is making loans that we call advances to our stockholder institutions for primarily three purposes: To fund home mortgage loans, to increase residential mortgage assets and to provide liquidity to financial institutions. The Dallas Bank also offers two very specialized programs to assist our stockholder institutions in meeting affordable housing and community development needs in the communities where they are located. Through our Affordable Housing Program we provide grants to create homeownership opportunities for medium- and low-income families and individuals. Our second specialized community lending program, which is probably more germane to today's hearing, is the Bank's Community Investment Program, or CIP. It was originally introduced in 1978 as the Community Investment Fund and the program goal is to encourage financial institutions to undertake greater efforts to increase their involvement of affordable housing, community revitalization and economic development in their local communities. Very importantly, eligible loan activities included in this program include capital improvements for small businesses, the development of industrial facilities, social service facilities, nursing homes, hospitals, college housing, community health-care facilities and civic centers, as well as home mortgages, home improvement loans and loans for multifamily housing. Our stockholder institutions—and nationwide there are over 4,000 community banks and thrifts which are stockholders of the Federal Home Loan Banks—can use CIP funds to finance any of the activities I've just mentioned, as long as they benefit families or individuals with incomes at or below 115 percent of the area's median income. CIP funds may also be used if the activity being advanced is located in a low- to moderate-income neighborhood—as an example, 115 percent of the median income in Alexandria is \$33,000, in Baton Rouge, \$43,000, and in New Orleans is \$38,000.

It's important to note that the bank imposes no additional underwriting criteria for a stockholder institution to participate in this

program. We believe the community commercial banks and thrifts are in the best position to determine the feasibility of projects within their local communities. All CIP applications received by the Federal Home Loan Bank of Dallas are simply reviewed to determine if they meet CIP criteria and to ensure that the stockholder's institution complied with the bank's credit policy. We can usually turn these around in about 5 days.

I'll move forward because of the time allotted, but one thing I wanted to mention today is that there has recently been a long discussion about how to expand community development throughout this Nation. I believe that through their community investment programs the Federal Home Loan Banks have already demonstrated great success in support of community development. These programs are already up and running. If they were expanded and enhanced, they could be used to accomplish even more to meet the needs of our communities by allowing community-insured depository institutions, which are members of a Federal Home Loan Bank, to expand their economic development activity within their existing organizational structure. The beauty of our CIP Program is that it utilizes the existing network of community-based financial institutions to get the job done. No one understands better than our community financial institutions the needs of the local communities and, equally as important, the financial feasibility of economic development projects funded by providing community thrifts and commercial banks with additional financial resources. The Federal Home Loan Bank system can enable our communities financial institutions to fund many worthwhile, economically advantageous projects.

Thank you, Congressmen.

[Mr. Barclay's statement may be found in the appendix.]

Mr. BAKER. Thank you, Mr. Barclay. I appreciate the brevity of your remarks and the importance of them.

Mr. Fowler.

TESTIMONY OF THOMAS D. FOWLER, CHIEF EXECUTIVE OFFICER, SECURITY FIRST NATIONAL BANK, ALEXANDRIA, LA

Mr. FOWLER. Thank you, sir. Thank you, Mr. Congressman. Thank you both for being here. Let me try to put things in perspective from the private side of banking and give you some perspective on where we would be coming from in Central Louisiana. First of all, my bank is the third-largest bank in town, one of eight. We have \$160 million in total deposits, \$70 million in loans, which gives us approximately 43 percent loan/deposit ratio. Put another way, we put 43 percent of our deposits back in the community. As a benchmark, that range is anywhere from 25 to 70 percent. You'll find the percentile somewhere in that range with banks in this area.

Our bank underwent a \$3,750,000 recapitalization this last year. I am happy to report that we are once again healthy, earning over 1 percent on assets this first 6 months. That's something that did not require the Government's assistance. We're very proud of that fact.

Today's hearing is an important forum to see how we can expand economic opportunities in rural areas. Before I comment specifically on that, though, I would like to give you some status of the banks in Central Louisiana. First of all, in the past 5 years we have had two S&L failures and two local bank failures. We've had over \$55 million in bad loans charged off in the past 5 years, so I think you'll say that hopefully we've learned something from our lessons of the past. Obviously that has to inject a factor of cautiousness when you charge off \$55 million of loans in the last 5 years. I am happy to report now that all banks serving Central Louisiana are strong and healthy, and I might admit that the competitiveness of these eight banks is very strong. I would go so far as to say that if you can't get a loan at one of these eight banks, it's probably not a good loan in the first place. It's just simply that the good loans are few and far between and the banks are really scrambling to get those loans on their books. We will all admit that the S&L crisis put tremendous pressure on the economy and broke the FSLIC, which was the insurance arm of the S&L industry. The FDIC, though, is still solvent. Its fund now will return to its congressionally mandated goal of 1.25 percent of uninsured deposits before the year 2000.

Our bank—our small bank pays over \$400,000 a year for FDIC insurance. I make that point so as not to confuse this issue as to who's replenishing the FDIC funds. It's banks and not the taxpayers. Another point I'd like to make is most of the increased regulation in the banking industry has little or nothing to do with safety and soundness. We have added staff simply to keep up with monitoring the new regulations. Of course, the consumer ultimately pays the price as banks find it more expensive to make loans and take deposits in such a regulatory environment. Moreover, communities suffer as stricter regulations and increased supervision have the effect of taking the risk out of the loan portfolios. This means otherwise credit-worthy borrowers such as small business owners, farmers and young families who might not meet some of the influx of regulatory requirements might find less credit available to them. Each week we receive unbelievable amounts of new documents from the OCC, the FDIC, and the Federal Reserve. As a banker, I am frustrated working to make our bank more competitive and more responsive to the needs of the community. Unnecessary regulations are really undermining those efforts. It means diverting valuable employees away from customers and putting them in the back room to process paperwork. It also means consumers who want to refinance a mortgage, for example, will have to complete a score of forms before the process can even begin. The last person who wants to see paperwork take precedence over consumer needs is your banker. We're trying to do our best to bring capital to small businesses despite this regulatory burden. My purpose in bringing these points to your attention is that the over-reaction and the micromanaging really is directed by Congress. It is not the regulators. In fact, I've found that they too are frustrated, so please give us relief so that we can find more time and more dollars for the subject that brought us here today.

Our goal in making credit available to credit-worthy borrowers is because it does affect our economy and our economic development.

Tourism has become one of the largest industries in Central Louisiana and this hearing today will only generate more interest in tourism and economic development. Conventions and tourism offers much to Central Louisiana and Central Louisiana offers much in the way of rural tourism. Our central location in Louisiana, and our quality of facilities have made us a natural. I might add, we only need more infrastructure to keep this process going. I know that there are countless Federal and State programs. I submitted to your staffs copies of several, which outline a great number that we're aware of today. If there's more—particularly some that pertain specifically to tourism, please let them be made available to us. We will be more than happy to try to participate.

I have contact with the SBA and the Federal Home Loan Bank Board. I know both of those are seeking participation with banks and trying to help in the process of further promoting rural America. I would say that I'm not sure that others are more form than substance. If there is more to those programs, perhaps we need to be educated. I would also suggest that those programs be brought to our attention, and those agencies need to get with the banking industry so that we can work in unison.

As always, I think the banks will lead the charge on economic development, both in dollars and manpower. Our staffs contribute a great deal to the manpower of any economic development that goes on in this area. Tourism is already a growing industry in Central Louisiana and really should only expand in the coming years. Please understand that credit quality drives us because of the chargeoffs and because of the previous bank failures. Most importantly because we have shareholders to answer to, but we're still ready to answer the call and to help you wherever possible.

[Mr. Fowler's statement may be found in the appendix.]

Mr. BAKER. Thank you, sir. Mr. Lawrence.

TESTIMONY OF GARLAND R. LAWRENCE, VICE PRESIDENT, PUBLIC AFFAIRS, CENTRAL LOUISIANA ELECTRIC CO., AND PRESIDENT, CHAMBER OF COMMERCE OF CENTRAL LOUISIANA

Mr. LAWRENCE. For Congressman Bilbray's benefit, I want to simply tell you that I also speak as president of the Chamber of Commerce of Central Louisiana and also a member of the Egland Authority, which is charged with the reuse of Egland Air Force Base, but my comments really will relate more to—a little bit about what CLECO does, what our utility company does. I'm going to keep it very brief—I know we're about out of time—and make just a couple of comments about things that have already been covered in what I consider to be important to tourism and economic development in Central Louisiana.

I think Mayor Marcantel will agree with me. Let me just cover what I consider to be the most difficult problem in any manner of economic development effort standing in the way of success in any community, and that is lack of community consensus, lack of community togetherness. When Mayor Marcantel was giving his presentation, I gathered that that was what you encountered. That's what we encounter as a utility company in all of the communities

that we serve in Louisiana. By the way, we are a rural, small-town power company. We serve a lot of small communities in the State, many of them in Central Louisiana. I have to tell you where we spend our time in economic development is with communities who are together, who have committed themselves to a single direction. Many of our communities simply have not done that. We do work together with a lot of different agencies.

CLECO's Program is three-pronged. One is recruiting industry and business, which most of us do, one is community and infrastructure development, and the third one is developmental agency network, working with other agencies that are involved in economic development efforts. Here, I'm happy to say, things are going quite well. We've heard from Mayor Randolph about that. If you had been here a couple of days ago, Congressmen, you would have seen this article on page 1 of the Town Talk that Alexandria is on the move. This was a report of a study done by Rider Trucklines and Rentals saying that in communities of 100,000 or less in the entire country, there are more people moving to Alexandria, Louisiana, than any other city of that size in the country, which speaks highly, I think, of what's happening here.

In addition to that, let me just mention that there are all kinds of attractions, some of which have been mentioned here from a tourism perspective. A lot of that is being pulled together by another agency represented in this room.

Let me just end with a recommendation, and this goes more to the community than it does to committees, if you will, and that is that we develop a rural tourism alliance in Central Louisiana. We do have an alliance of sorts. It's called REDA, or the Regional Economic Development Alliance, which many of you in the room here have worked with. It is about to become defunct, I believe. As of next year, we'll run out of money. This is something that perhaps your committee could help us with. It is the first time in the history of the area that I can remember when all of the parishes represented in this room have come together and worked together in a singular effort having to do with economic development. I would like to see that organization continue. Here are the things that it could do, very briefly. The alliance should be made up of at least one large, metropolitan area, which would be Alexandria. From that area, tourists could be transported to alliance-member locations for tours, events, meals, et cetera. The alliance should analyze the entire area. That has already begun by the REDA process and the sector analysis that has been ongoing. The alliance can succeed only if the area is committed and determined to succeed.

Another thing that needs to be done with that is a comprehensive marketing plan needs to be developed.

Let me just say that any comprehensive effort to develop tourism in Central Louisiana should be led by the Convention and Visitors Bureau in Alexandria. This is by far the most active and best, most effective group working to develop tourism in Central Louisiana. I thank you again for the opportunity to make these brief remarks.

[Mr. Lawrence's statement may be found in the appendix.]

Mr. BAKER. Thank you again, Mr. Lawrence. Mr. Chairman, do you care to conclude?

Chairman BILBRAY. Thank you. I tease my friend here about being a Republican. Let me say this, in the House of Representatives, the majority party controls and rarely is a Republican allowed to co-chair there, so I would like to give him the gavel that was used today to remember this, because it may be the only time that he gets to do that.

Mr. BAKER. Let me say in conclusion of a very prominent and important meeting how much I have appreciated the Chairman's courtesy. You don't really realize in Washington how much a Democratic Chairman of a committee can ignore you if he wants to, and to get him to take his weekend time to fly in here on a Sunday and spend it in someone else's district, listening to their problems, is not all too common. I'll let you know that, and we should all express to Chairman Bilbray our appreciation for his courtesies and staff time and the commitment that he has made privately to work with us on the future in matters of mutual interest.

Let me also say that today we're going to commit this gavel to a special purpose. Earlier in the testimony today, I asked Mr. Phillips from Region 6, the administrator of the SBA, and also we'll relay the same request to Dr. Edgell from USTTA, to commit to us a staff necessary to put together our own regional plan, which starts from a large community, but if we're going to use Federal resources, let's build it to where it makes sense to coordinate with Federal resources, and we'll commit this gavel for conducting the first meeting for Central Louisiana and its tourism organization, whatever it's called. With that, we'll call the meeting adjourned and thank you one and all for your participation.

[Whereupon, at 12:40 p.m., the subcommittee was adjourned.]

A P P E N D I X

Opening Statement of the
Honorable James H. Bilbray

Chairman
Subcommittee on Procurement, Taxation and Tourism
of the Committee on Small Business
U.S. House of Representatives

July 19, 1993

Field Hearing in Alexandria, Louisiana

"Tourism as a tool for rural economic development."

Today the subcommittee convenes in Alexandria, Louisiana as it begins a series of field hearings around the country to study the impact which tourism has on various local economies around the country. Today, I am very happy to have accepted the invitation of my good friend Richard Baker and to be here in Alexandria to see first hand the effect that tourism is playing in the development of Central Louisiana.

A few numbers from the international tourism arena paint

a very optimistic and bright picture for Louisiana tourism prospects. According to the U.S. Travel and Tourism Administration from 1990 to 1991 Louisiana registered a 10% increase in international tourism. Canadian arrivals were up 27%. International tourism in Louisiana generated \$108 million in payroll in 1990, generated 9,500 jobs and \$49.6 million in federal, state and local taxes. Any way you look at it this is an environment which Louisiana must take advantage of.

In Central Louisiana we also see an environment that has rebounded and continued to develop despite the closure of England Air Force Base. As the witnesses before us today will attest, they have taken advantage of the possibilities posed by the closure of the base, turned its

conversion into a success story and are looking to the future.

These witnesses will bring to us today an example of the type of government-business partnership that can only spell success for our economy. As we face a time of growing fiscal constraint in Washington, it is essential that we take the examples that are being created in places like Central Louisiana and make them part of a national economic strategy to restart our economy. What our businesses need is not another handout. What they desperately require is guidance and assistance in order to get started. The federal government must fill this information void and allow developers and financial institutions who know these regions in a much more

intimate way to get on with business as best fits the business climate of this particular region. The federal government should remove the roadblocks to development, not create them.

Today's witnesses will paint for us a picture of the success that the Toledo Bend Reservoir can be if given the proper assistance by all levels of government and business. We will see how tourism can be used as a very positive tool for economic development. As the numbers I mentioned before stated, Louisiana is a thriving ground for tourism and the dollars and jobs that it can bring to an area are indeed impressive. As a Member of Congress, it is essential that I take these kind of success stories back to Washington with me and let my fellow members know

what kind of help America's small businesses really need.

Again, I thank Congressman Baker for the invitation and all of those who we will hear from today. I look forward to the testimony and to taking back to Washington some of the bright ideas that are flourishing in the parishes of Louisiana.

Opening Statement of
Congressman Richard H. Baker, Ranking Member
before the
U.S. House of Representatives
Small Business Subcommittee on Procurement, Taxation & Tourism
Promoting Tourism and Economic Opportunities in Rural Areas

Congressional Field Hearing
Alexandria, Louisiana
July 19, 1993

I welcome Chairman Jim Bilbray of Nevada, Las Vegas to Alexandria, Louisiana. I thank the Chairman of the U.S. House of Representatives Small Business Subcommittee on Procurement, Taxation & Tourism for the opportunity to host the first in a series of three hearings on the topic of *Promoting Tourism and Economic Opportunities in Rural Areas throughout the United States*. Later this year, the Subcommittee will hold hearings on similar issues in Wilmington, North Carolina and in Las Vegas, Nevada.

I would also like to thank the City of Alexandria, particularly Mayor Ned Randolph, for accommodating the Subcommittee for this important forum today. The distinguished individuals testifying before us today have been strategically organized into three different tiers. The first panel consists of federal, state and local government officials who will detail what their organizations have done and plan to do to encourage future tourism opportunities and economic development in rural areas. The second panel, or the "Planning Panel", represents a broad cross section of private and public organizations engaged in regional planning efforts throughout Central Louisiana. Finally, the third panel, or the "Resource Panel" will detail many funding options that are available to assist tourism development and other economic opportunities in rural areas.

I am very pleased to have the Subcommittee come to Louisiana to begin this series of hearings on tourism. Louisiana has a wealth of natural resources and cultural attractions that are logically and fiscally attractive to the tourism industry. The State often describes itself as the "Sportsman's Paradise", and that phrase appropriately describes the extent of our recreational potential. From the Toledo Bend Reservoir to the French Quarter in New Orleans, from the timber areas of Central and Northern Louisiana down to the heart of the Acadianas, and from the Capital city of Baton Rouge up and down the Mississippi River along Plantation Country, the State of Louisiana's tourism potential is limitless. The economy of Louisiana stands only to gain from a healthy and expanding tourism industry which can create good-paying and long-lasting jobs to our residents.

Today's hearing will amplify existing efforts for promoting tourism and economic opportunities throughout Louisiana, as well as revealing new planning methods, new technical resources, and new funding sources for existing and future endeavors. I once again welcome Chairman Bilbray to Central Louisiana and thank him for holding this important hearing today.

TESTIMONY BEFORE THE SUBCOMMITTEE ON PROCUREMENT,
TAXATION, AND TOURISM OF THE
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON SMALL BUSINESS

BY

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ACTING UNDER SECRETARY OF COMMERCE
FOR TRAVEL AND TOURISM

UNITED STATES TRAVEL AND
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U.S. DEPARTMENT OF COMMERCE
WASHINGTON, D.C

ALEXANDRIA, LOUISIANA

JULY 19, 1993

It is an honor and privilege for me to have this opportunity to appear before the Subcommittee on Procurement, Taxation, and Tourism of the House Small Business Committee. Today, I would like to discuss the importance of tourism to the world and to the United States, to bring you up to date on the work of the United States Travel and Tourism Administration (USTTA), to discuss USTTA's rural tourism initiative, and to suggest how Louisiana and other states might better position their rural tourism products in the international market.

As a preface to my remarks, and in the words of Secretary of Commerce Ronald H. Brown, let me highlight the three basic economic changes that have occurred over the last 40 years, and acutely in the last decade, that have made the dialogue and continued partnership among U.S. federal, state, and local government and private enterprise an economic imperative:

(Quote) "First, markets have become global (e.g., U.S. exports in 1993 will be 40 times the 1955 total). Second, the value we add to goods and services increasingly flows from their technology and information content, as well as from the labor and raw materials we use to build them. And third, the marketplace now changes in response to new products and new demands with incredible speed." (End quote)

These changes have fundamentally altered the economic landscape of the tourism industry, and the fluid nature of these changes continues to alter it at a rapid pace. If we are to remain internationally competitive in all elements of the tourism industry, we must cooperate in the development of all our tourism resources. Perhaps the area for the biggest growth is the development of our resources in rural and culturally diverse areas of the United States, and it is the development of rural tourism which brings us together today.

INTERNATIONAL TOURISM IN THE WORLD ECONOMY¹

Tourism is of great economic importance throughout the entire world. The significance of tourism as a source of income and employment continues to grow and is a major factor in the balance of payments for many countries. A few brief facts compiled by the World Travel and Tourism Council and the World Tourism Organization suggest the importance of tourism from a worldwide perspective:

- ♦ Travel and tourism is the world's largest composite industry and a major contributor to global economic development.
- ♦ In 1993, travel and tourism (that is, worldwide domestic and international travel expenditures) is expected to generate more than \$3.5 trillion or 6.1 percent in gross annual output revenues, which is over 5.5 percent of the World's Gross National Product. This is close to 13 percent of all consumer spending.
- ♦ According to a recent World Travel and Tourism Council survey, travel and tourism is the world's largest industry. In 1993, it is due to contribute US\$3.5 trillion or 6.1 percent to the global GNP, employ 127 million workers representing 1 in 15 jobs, about 7 percent of the world's labor force. Globally, the industry's capital base is nearly \$4 trillion which is close to 13 percent of all consumer spending.
- ♦ Travel and tourism invests more than \$350 billion a year in new facilities and capital equipment, or 7.3 percent of worldwide capital investment.
- ♦ Travel and tourism generates approximately \$300 billion in direct, indirect, and personal taxes each year, more than 6 percent of total tax payments.
- ♦ Travel and tourism is growing faster than the world economy in terms of output, value added, capital investment, and employment.

INTERNATIONAL AND DOMESTIC TOURISM IN THE UNITED STATES ECONOMY²

Probably no country in the world has a greater comparative advantage in tourism than the United States. Tourism -- both domestic and international combined -- is an important source of income, foreign exchange receipts, and employment for the United States. The following facts further illustrate the impact on the economy of travel and tourism to and within the United States:

- ♦ The tourism industry in the United States includes 15 types of inter-related businesses, from lodging establishments, theme parks, airlines and restaurants to car rental firms, travel agencies and tour wholesaler companies.
- ♦ Domestic and international travelers spent \$380 billion in 1992 in the United States on air, bus, taxi, cruise ship, and rail travel; hotel and motel accommodations; camping; food and drink; retail purchases, and amusement and recreation services. That amounted to an estimated 6 percent of our Gross National Product.
- ♦ In 1991, employment in the industry generated over \$91 billion in payroll, over \$300 billion in receipts, and over \$47.4 billion in taxes paid by domestic and international travelers.
- ♦ Specifically, in 1992, 5.9 million U.S. jobs were supported by spending by domestic and international travelers making the travel industry the undisputed second largest employer in the United States, behind health care.
- ♦ Travel and tourism ranks as the first, second or third largest employer in 37 states; it is the number one employer in 13 states. The industry leads the nation in terms of employment of women and minorities.
- ♦ In the last decade, the travel industry created jobs at twice the average of all U.S. industries. International tourism is especially important to the U.S. balance of payments.
- ♦ By the year 2000, tourism is expected to be the country's leading export.

INTERNATIONAL TOURISM TO THE UNITED STATES³

International tourism to the United States is one of the largest exports in terms of dollars brought into the U.S. economy. It is the largest business services export and the second largest export overall, ranking only behind the machinery and transport equipment sector. It is considerably larger than agricultural exports, traditionally one of the major exports for the United States.

In testimony this spring before the House Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies Committee on Appropriations, Secretary Brown said: (Quote) "Also essential to the increased growth of our exports is the role of

the United States Travel and Tourism Administration. International travel is America's largest business service export, and USTTA's programs contribute to the continued growth of this export" (End quote).

From whichever countries the tourists arrive, they will be re-discovering the infinite range of vacation and travel possibilities in this country -- a discovery process that currently keeps over 9 million people employed in travel, tourism and related industries. That adds up to 8% of the jobs in the United States, and makes travel and tourism the second largest industry in this country -- second only to health care. (For example, there are over 1/2 million people employed in the airline industry alone.)

- ♦ International arrivals to the United States (which includes overseas, Canada, and Mexico) totaled 44.5 million in 1992 and are projected to be 49.1 million by 1994 (a 10.1% increase).
- ♦ This represented the sixth straight record-setting year for inbound travel to the United States. The growth between 1985 and 1992 has been a 75% increase, or an additional 19.1 million travelers.
- ♦ International arrivals have grown by 44 percent over the past five years, about 8.7 percent per year. This was over 3 times the growth rate of outbound U.S. international travel.
- ♦ Our largest inbound market in 1992 was Canada (at 18.6 million in 1992), followed by Mexico (8.2 million), Japan (3.7 million), U.K. (2.8 million), Germany (1.7 million), and France (.8 million). In terms of expenditures in the U.S., however, Japan ranks first (with approximately 18 percent of total receipts).
- ♦ International travel is one of the largest exports for the United States, ranking ahead of agricultural goods, chemicals, and motor vehicles.
- ♦ In 1992, international travelers spent a record \$71.2 billion in the United States, including transportation receipts, an 11% gain over the \$64.2 billion 1991 figure. With 1992 payments by U.S. citizens traveling abroad at \$50.8 billion, this generated a \$20.4 billion surplus for the United States in travel trade exports. This surplus represented nearly an 8% gain over 1991.
- ♦ In 1984, the United States had a travel account deficit amounting to \$7.4 billion which increased to \$8.8 billion in 1985 before beginning a reduction. In 1989,

the account had sifted to a surplus of nearly \$5.2 billion, doubled to \$10.4 billion by 1990, and quadrupled to nearly \$20.4 billion by 1992.

- ♦ Some notable changes in the U.S. travel balance with certain regions and countries have included:

**** US/UK:** Growth from a \$951 million U.S. deficit with the UK in 1984 to a 1992 surplus of \$1.7 billion. The first surplus with the UK was posted in 1989 (\$284 million) representing a 504 percent growth rate between the 1989 and 1992 levels.

**** US/Central-South America and Caribbean Region:** The US went, in nine years, from a \$865 million deficit with this region to a \$3.9 billion surplus in 1992, recording its first surplus, \$223 million, in 1990. The increase between the 1990 and 1992 levels represented a 3,351 percent increase.

**** US/Japan:** The United States has witnessed a 670% increase in the travel surplus from Japan, from \$1.3 billion in 1984 to \$10 billion in 1992.

- ♦ The biggest change noted in the U.S. travel trade export account was with Mexico which grew 147% compared to 1991, from \$239 to \$589 million. Rank ordered, the U.S. travel trade export surplus list, in billions, is topped by Japan (\$10.0) followed by Canada (\$5.5), UK (\$1.7), Germany (\$1.5), Venezuela (\$0.8), Australia (\$0.7), Mexico (\$0.6), and France (\$0.4), respectively.
- ♦ Total 1992 U.S. international travel receipts, in rank order, for the same countries, in billions, were as follows: Japan (\$13.7), Canada (\$9.3), UK (\$7.5), Mexico (\$6.4), Germany (\$4.8), France (\$2.6), Italy (\$1.9), Australia (\$1.8), and Venezuela (\$1.1).
- ♦ Over the last decade, the United States has seen continuous growth in travel receipts, from \$21.2 billion in 1984 to \$71.2 billion in 1992, an additional \$50.2 billion. This means that travel receipts, including transportation fares to U.S. carriers, grew by more than 235%, for an average annual growth rate of 16.6%.
- ♦ Significant growth in second tier markets indicate the increasing importance of Latin American and Asia-Pacific tourism markets. In 1992, Venezuela, Argentina, Korea and Taiwan all registered 20% or better growth rates in international travel to the

United States. Economic factors such as changes in exchange rates play a significant role in the shifts.

- ♦ Expectations for 1993 are that almost 46 million visitors will have come to the United States and spent about \$77 billion. Projections for 1994 estimate international arrivals to the United States to total almost 49 million producing over \$84 billion in international travel receipts. Combined U.S. domestic and international travel receipts for 1994 are expected to be over \$404 billion.

In other words, we expect significant growth in international tourism to the United States for the next several years. This growth will provide jobs and economic opportunities. Most experts predict that the rate of growth for tourism around the globe will range between 5 and 10 percent annually. Clearly, with increasing levels of disposable income and business travel (leading to more leisure travel) in Asia, Eastern Europe and Latin America, the U.S. tourism industry will grow tremendously.

Thus far, the United States remains the world's top international tourism earner, with earnings double the size of our closest competitor, and is second behind France in international tourist arrivals. This represents over a 9 percent market share of all world tourist arrivals.

While the U.S. travel and tourism industry has done well internationally, the international tourism market has grown increasingly competitive. Of the countries which ranked among the world's top 15 tourism earners ten years ago, five are no longer on the list.

As the earlier statistics illustrated, dynamic new tourism performers are emerging, especially in the Pacific. Japan and its East Asian neighbors recently have moved into the ranks of the top tourism performers, in part due to economic factors such as changes in exchange rates. Ten years ago, the world's top 15 tourism earners included:

- ♦ the United States;
- ♦ eleven Western European countries;
- ♦ three North American countries, and
- ♦ one Pacific nation.

The line-up now includes:

- ♦ the United States;
- ♦ eight Western European countries;
- ♦ four Pacific nations (Hong Kong, Singapore, Thailand, and Australia), and
- ♦ Mexico and Canada.

Western Europe and North America continue to out-earn the Pacific in terms of total tourism revenue, but the Pacific countries are experiencing faster earnings growth.

Clearly, if this performance continues, we will see a very different "top 15" by the end of the decade.

There is no guarantee that the U.S. tourism industry will be able to maintain its position as the world's number one tourism earning nation. Not only is the competitive environment growing more formidable by the year, the U.S. tourism industry is highly fragmented. It is composed of pieces of industries occupying nearly 30 Standard Industrial Classification categories and comprising more than one million enterprises, many of which are ill-prepared to compete in a global environment.

Most are independent small businesses having proprietors who are unfamiliar with the imperatives and pitfalls of the international market. Many do not offer a "world class" product; they have neither foreign subsidiaries nor representatives and do not conduct international market research, and they do not have the benefit of corporate strategic plans. Actually, they owe much of their market penetration success in the last six years to the decline in the value of the dollar and, more recently, to the disinclination of residents of this Hemisphere to travel outside the Americas.

INTERNATIONAL TOURISM MARKETING AND PROMOTION

As the national tourism office of the United States, USTTA represents and supports all parts of the U.S. tourism industry: states, regions, cities, rural areas, private sector companies and public nonprofit organizations. In doing so, we attempt to bring to bear, in the highest potential international travel markets, this country's very best tourism offerings--mixtures of the highly popular and well-known and the lesser-known, less-visited, but still tremendously rewarding, destinations and services.

On the international front, the work is done through our offices in Canada, Mexico, Japan, the United Kingdom, France, Germany, the Netherlands, Italy, Australia and our South American office located in Miami. These are the official U.S. Government travel offices that support the travel trade by serving as the "eyes and ears" for the industry, gathering market data and intelligence and facilitating entry to markets by states, cities, rural areas, regions, and companies trying to become involved internationally.

The way we "market" the United States remains the same whether the area being promoted is highly utilized or under utilized. But bringing under-utilized areas to market receives considerable

attention from us because those areas need our technical assistance the most. Further, under-utilized areas are potential destinations for many of our repeat visitors who, after seeing our prize destinations on earlier visits, want to see "the real America" which is often "rural America." (Over three-quarters of international travelers to the United States are repeat visitors.)

Accordingly, we must strategically use linkage--linkage between the "haves" and the "need mores." By connecting the sectors of this industry which need more assistance with those which are already well-established, we assist both in benefitting from the growing inbound market.

This strategy is embodied in the concept of "regionalism." We encourage states, cities, and private sector components to band together as regional coalitions in their international marketing efforts. The reasons and benefits are impressive:

- ♦ Organizations which alone cannot effectively market their products and services abroad can do so more readily as part of a larger regional group; enabling greater participation in marketing efforts by firms and organizations which would or could not otherwise get involved;
- ♦ Regionalism provides the means for strengthening the relationship between public and private sector groups;
- ♦ Regionalism facilitates the international promotional effort -- providing the international consumer with a consistent, recognizable, and manageable U.S. tourism product. Research clearly shows that tourists from abroad rarely visit only one city, state, or attraction in the U.S.; thus, regional packaging of tourism offerings takes advantage of this buying pattern.

An excellent recent example of USTTA's assistance with a regional coalition is the Mississippi River Country (MRC), a special regional organization which includes Louisiana and nine other states (Minnesota, Wisconsin, Illinois, Iowa, Missouri, Arkansas, Kentucky, Tennessee, and Mississippi). We have been working extensively with this organization, providing technical guidance and research in their planning and program development efforts currently targeting a market in which USTTA is well-entrenched -- Japan.

Let me briefly describe one of the success stories associated with this project. Our staff in Japan generated a unique promotional project on behalf of the Mississippi River Country (MRC) which fits well in the region's overall Japanese marketing plan. Specifically, the Mainichi Shimbun, Japan's third largest

national daily newspaper (with a readership of over 10 million or one tenth of Japan's population), was persuaded to produce and publish a two-page MRC travel supplement -- the first such "travel section" of this magnitude in any Japanese newspaper. The supplement was published in March, 1992. With four-color pictures and editorial features, this insert effectively promoted the MRC to potential Japanese visitors. Also, familiarization tours were arranged consisting of three teams of the newspaper's journalists who visited the region in order to develop the editorial content for the supplement. The value of this project was enormous; simply in terms of editorial space value, if purchased as advertising, the product is worth well over \$1.5 million. This program, coupled with an integrated marketing plan including sales missions, public relations, and participation in trade shows, has reaped valuable dividends. In terms of impact, USTTA will work with MRC to track and measure the increase in Japanese visits to the region attributable to this project. A similar program is in its second year with the Southeast Tourism Society focusing on Canada.

USTTA also works closely with several other regional groups to assist their international travel marketing efforts. These include Foremost West, Travel South, Southeast Tourism Society, New England USA, the Great Lakes States, Visit U.S. West, America's Heartland, the Old West Trail Foundation, New England as well as other, smaller regional groups. Regionalism, we believe, is an excellent vehicle for effective and efficient travel promotion, particularly in the international market.

And the prime beneficiaries are those states and destinations not immediately recognized as the best known or most popular destinations. In fact, it is often the resources of these major corporations that provide the nucleus of national programs that allow the public sector to participate at effective levels of funding. In 1993, for example, it is estimated that the U.S. tourism industry will invest over \$16 million in USTTA-organized programs promoting the United States as a destination.

We have stepped up our work to provide technical assistance and informational support to communities and businesses just beginning to incorporate tourism as an economic development tool or seeking to enter international markets. For example, we have programs such as the Regional Market Development Program cited earlier, the soon-to-be-launched International Tourism Trade and Development Financial Assistance Program (ITTDFAP), and our International Marketing Seminars co-sponsored with ITA. USTTA also is in the process of developing stand-alone presentations which can be utilized by the communities in coordinating their international promotion efforts. These include: How to Develop Marketing Plans, Getting Your Products on the Shelf, and Serving the International Visitor. In 1993, these education seminars will be conducted in September in Miami, FL, Newport, RI, and St.

Louis, MO. These events are designed to provide basic "do's and don'ts" and "how to's" of planning for, entering, and promoting in travel markets abroad. We are gratified by the enthusiastic reaction to these outreach efforts.

Another technical assistance tool worthy of note is the newest edition of Tourism USA -- Guidelines for Tourism Development. This planning manual was produced by the University of Missouri for the Department of Commerce as an aid to communities interested in initiating or developing tourism as part of their economic development plan. It has essentially become the tourism development "bible" for hundreds of users throughout the country. In its most recent edition, it has been expanded to include guidelines for developing international marketing and visitor services for special populations. This manual has proven particularly valuable to rural and ethnic tourism communities.

RURAL TOURISM DEVELOPMENT

One of the most recent trends in tourism is the development of rural areas of America. National statistics indicate that close to 87 percent of today's travelers want to get off the interstates and travel the scenic highways and byways of the United States. Rural areas offer tourists the opportunity of "spiral" or day trips out from the city, unspoiled nature and birding opportunities, hunting and fishing, glimpses of unique folklore, music, culture, foods and folkways, not available in the bigger cities. Safety and security has become another factor influencing visitors to see the smaller, more rural areas of the country. Urban and rural tourism can easily serve each other in a mutually beneficial and economically stimulating way. Each offers something special to the traveler and the combination of the two offers yet another type of travel experience in the United States.

The problems that plague rural America today are extensive. Until the 1980s, unemployment rates were consistently higher in urban areas than in rural areas; however, during the 1981-82 recession, rural unemployment rates rose faster and peaked higher than urban unemployment rates. Similarly in 1990 recession, rural earnings declined and remained lower than urban earnings across all regions.

This phenomenon of high unemployment rates in rural areas is a significant break from past patterns and represents a warning flag that fundamental conditions have shifted in rural America. For example, during much of the 1980s about 400,000 rural residents packed their bags and left rural America each year to seek employment in the cities. Although agriculture remains the most important industry in rural America, it now employs relatively few people, and that trend is likely to continue.

Only approximately 400 of America's 2,400 rural countries are now considered "agriculture dependent."

In recognition that tourism is an important tool in rural revitalization efforts, the recommendations in the Report on Rural Economic Development for the 90s were ordered implemented by Presidential order issued on January 22, 1990. This Report explains that any new lifeblood for rural America will be found primarily in off-farm employment opportunities, especially in industries such as tourism, retirement living, and commercial recreation, which all serve to bring additional income to rural communities. As more rural communities are making tourism a part of the economic development option for the nineties, USTTA, along with other government land management agencies, is working to put small town America on the "tourist map." As part of this initiative, federal agencies will provide leadership for educational outreach programs in rural tourism development.

In promoting under-utilized areas, the United States capitalizes on the incredible drawing power of the better-known destinations and tourism services in this country, particularly for potential first-time visitors to our shores. The tourism infrastructure built around these services, can serve as a hub for rural day trips, or as a departure point for more extensive excursions. Indeed, these popular destinations serve both as tourism magnets and delivery systems -- for the benefit of all. Rural tourism, therefore, is not limited to rural areas of a state or region. It encompasses the major metropolitan areas as well for accommodations, restaurants, easy access to airports and interstates.

The highly successful Visa Waiver Pilot Program developed by the Department of State further facilitates the entry of international travelers to the major ports of entry into the United States. Twenty-two countries now participate in the U.S. program with impressive results in usership. For example, 88 percent of inbound Japanese visitors in 1992 did so via the Visa Waiver Program. Since the Program's inception three years ago in July, 1988, 58 percent of total arrivals from the 22 participating countries have entered the United States with visa waivers.

The Department of Commerce also has been at the forefront of developing a number of tourism strategies to assist in implementing rural tourism. Two important strategic steps of the Department's policy include:

- ♦ Development by the Tourism Policy Council (an interagency tourism policy coordinating council chaired by the Secretary of Commerce) of a national policy to encourage the growth of tourism-related businesses in

rural America and to improve the quality and competitiveness provided by rural Americans;

- ♦ Development by USTTA of an educational outreach program to provide training for rural communities interested in tourism as an economic development tool in rural areas.

In 1992, USTTA and the Department of Commerce's Economic Development Administration (EDA)--co-sponsored with the Tourism Center of the University of Minnesota, the Extension Service of the Department of Agriculture, and the Small Business Administration -- an important economic development training opportunity. On November 20, a conference on Rural Tourism Development entitled "Turn it Around with Tourism" was telecast nationwide from the Tourism Center. This highly successful conference reached over 150 locations throughout the country.

Based on the responses to this teleconference and taking into account requests from local and state tourism and economic development agencies, USTTA organized and sponsored the first ever National Rural Tourism Development Conference. The concept behind the conference was a "train the trainer" effort to train and develop a cadre of people in each state who would have knowledge and some expertise in rural tourism development. This cadre now is being utilized as a nationwide human resource network that is committed to rural tourism as a means of local economic development. Another feature of the program is an interagency and private sector effort at the federal, regional, state and local level.

The first National Rural Tourism Development Conference was held on April 22-24, 1992, at the Adam's Mark Hotel in Kansas City, Missouri. Over 200 people attended the conference representing 43 states and Canada.

To continue providing both educational and networking opportunities, a Second Annual Conference on Rural Tourism Development was held in Rapid City, South Dakota, April 26-28, 1993, in conjunction with the National Association of State Development Agencies' (NASDA) Third Annual National Conference on Tourism Development (April 28-29). The purpose of this second, equally as successful conference was to continue the "train the trainer" concept and define and establish municipal tourism policies that will assist state or political subdivisions in making tourism an economic development priority. A resource handbook, Tourism Development: A Guideline for Rural Communities, was developed to provide the user with a set of guidelines and principles to support the concept of utilizing tourism as an economic development tool for rural areas.

Another resource guide book is World Tourism at the Millennium: An Agenda for Industry, Government, and Education published in

April, 1993, by USTTA. The many issues covered in this monograph are of high utility to a state such as Louisiana in preparing strategy for capturing a larger share of the international tourism market. Issues range from rural tourism and recognition of the need for employee education and training to attention to sustainable tourism development, traveler health, safety, and security, and other essential quality services for international tourism consumers.

TRAVEL AND TOURISM IN LOUISIANA

In my opinion, Louisiana is doing an excellent job in marketing and promoting its tourism product in the international market. The Office of the Lieutenant Governor and the Louisiana Office of Tourism have jointly spearheaded an economic development program which is benefitting both rural and urban areas of the state. The program is working to preserve and nurture existing small businesses and service sectors, while developing new small business enterprise opportunities in the fields of tourism and outdoor recreation. This is in conjunction with the state's overall tourism promotion strategy which places specific emphasis on targeting cultural, heritage, and multicultural (ethnic) tourism development.

The highly laudable, ongoing work by the State of Louisiana, however, is pointing out the need for provision of more resources to the development stages of tourism and small business creation as well as for greater coordination of programs and projects among state, federal, and local entities. In order to enjoy long term success, more attention must be paid to programs that prepare communities/states for tourism or other small business development especially in the area of international travel promotion.

In carrying out its overall state tourism promotion strategy, Louisiana has encountered requirements similar to other states. These include the need for technical assistance and guidance in the areas of education and awareness, assessments and evaluations, identification of funding sources, and development of marketing plans (brochures, FAM tours, etc.).

The problem areas encountered by Louisiana also reflect those confronting other states and regions: prohibitive costs of liability insurance restricting development of small tourism-related businesses; lack of financial incentives, loan and loan guarantee programs for tourism or land/water-oriented businesses; lack of tax relief for small businesses in general, and lack of national programs to further address the growing needs of outdoor recreation and service sector industries.

Of particular interest to USTTA is the promotion of international travel to the United States. In reference to international markets, states and regions must become international visitor "friendly." Attracting international visitors carries with it a burden of responsibility to provide services which meet the needs of this group. Provision of the most basic requirements -- the availability of foreign currency exchange sites; multilingual front-line employees in hotels, restaurants, airports as well as menus and brochures; international signs and symbols marking restrooms, elevators, highways -- can demonstrate, in a welcoming manner, sensitivity to and understanding of cultures other than our own.

A few statistics on the economic impact of international travel to Louisiana emphasizes the importance of tourism to state economies:

- ♦ Louisiana registered a 10% increase in international arrivals from 1990 to 1991 estimated, rising from 542,000 to 598,000. Canadian arrivals were up 27%. Overseas arrivals (not including Canada and Mexico) grew 15% over the previous year. The United Kingdom topped the list of international tourist arrivals for 1991 with Germany and Canada tying for second place, and France taking third.
- ♦ New Orleans ranked 13th (tied with Tampa and St. Petersburg, FL) in top cities visited by overseas travelers in 1991 with 452,000 arrivals and a market share of 2.8%.
- ♦ Total payroll generated from international tourism in Louisiana reached \$108 million in 1990 (estimated).
- ♦ International tourism spending in Louisiana generated 9,500 jobs in 1990 (estimated) and \$49.6 million in federal, state, and local taxes.

The following comments reinforce these efforts as well as explain why international tourism is so important to Louisiana.

- ♦ First, the international visitor spends more than six times as much on tourism services as does a domestic visitor from another state. Such visitors buy enormous amounts of locally made products, gifts and souvenirs which stimulate economic benefits for local merchants and businesses in Louisiana. Thus Louisiana should strive to get its fair share of the international tourism trade and think beyond just providing tourism services towards helping stimulate tourist purchases of Louisiana-made products.

- ♦ Second, such "dollars" from international visitors are "fresh currency" rather than "recycled currency" already in the domestic income stream; hence economists term such expenditures as having a greater multiplier effect on the economy. Louisiana and the nation benefit simultaneously from such expenditures because it improves the overall trade balance. These kinds of expenditures also stimulate new demand for a broader range of products and services to accommodate the needs and desires of the international visitor.
- ♦ Third, generally speaking, the taxes paid by international visitors on tourism services yield a higher benefit to the state and nation because such visitors utilize only a limited amount of the services paid for by such taxes. The international visitor is a very "temporary" resident who spends large amounts of money and then leaves. The taxes they pay benefit the State of Louisiana directly and indirectly.
- ♦ Fourth, international tourism expenditures contribute to the creation of jobs and, over the past decade, expenditures on tourism services have directly generated more jobs than any other industry sector except health services. The jobs often provide special opportunities for minority groups or the disadvantaged, and for people in rural areas. Such job creation is critical to Louisiana and the Nation.
- ♦ Fifth, in the next few years, we will welcome soccer's World Cup and another Olympics to the United States. Each will be a dramatic time when the world will watch and want to come to this country. It is and will be a great opportunity to serve the global market and to provide them with the best travel and tourism experience that we can. The crowds that flock to these events will not merely visit Atlanta or the West coast and return home. They will explore and visit all this country has to offer. So get ready New Orleans... get ready Alexandria. Louisiana should be up front in marketing its well-known as well as rural tourism products to this cosmopolitan audience coming to the United States.
- ♦ Sixth, it is estimated that more than one million enterprises are involved in travel-related businesses in the United States, of which 98 percent can be classified as small, such as travel agencies, family-owned motels, restaurants, amusement areas, and souvenir gift and other retail establishments all of which are important to the Louisiana economy.

- ♦ Seventh, tourism plays an important role in economic development, stimulating improvements in roads, transportation systems, agriculture, food processing, construction and so forth. Louisiana can begin the process of successful development of rural tourism which requires focusing on community involvement and the initiative of community leadership to accomplish these goals.
- ♦ Eighth, the local benefits from tourism are usually in such categories as employment, income, diversification of economic base, tax revenues, visibility, and/or cultural benefits. In brief, tourism properly developed can add greatly to the quality of life in a local community. Louisiana should work actively and cooperatively with private enterprise in creating an environment in which small business can succeed. This requires the establishment of networks with other community organizations such as the arts council, historic associations, civic clubs, and community betterment to improve the resource base for leadership and reduce the costs of conflicts in scheduling and counterproductive decision making.
- ♦ Ninth, most recent surveys have indicated a strong desire by international visitors to travel to areas with good recreational facilities, rural areas and a clean environment. In other words, there is great interest in fishing, boating, swimming, water sports, camping, horseback riding, tennis and golf. Louisiana fits this profile perfectly.
- ♦ Tenth, there is considerable interest by international visitors, particularly those who are repeat visitors, in seeing "real America" or "rural America." Usually on the first or second trip to the United States they are likely to go to the big cities or well know attractions, but during repeat visits (and remember that 76 percent of the international visitors are repeats), they want to visit the interior, be exposed to country folk, experiences local music and culture, visit the wide open spaces, gain knowledge about the frontier West --in brief, the very kind of tourism product that Louisiana offers and can readily expand.

The above comments illustrate a very few of the potential opportunities for increasing tourism to and within Louisiana and why Louisiana should seek to increase its share of international visitors. This analysis suggests that Louisiana should "think globally" and "act locally." In other words, Louisiana should play an important and active role in local, state, regional and

national efforts to market and promote its tourism product in the international market.

THE CASE OF JENNINGS, LOUISIANA

Embracing the future has a great deal to do with the attainment of the dreams and aspirations as well as economic opportunities for the United States embodied in the international tourism industry. Pragmatic policy and planning, education and management, are key elements for converting dreams into realities for rural America. A good example of this is the story of Jennings, LA.

The City of Jennings is a rural community of 11,500 people located in southwestern Louisiana, 180 miles west of New Orleans. The city is the marketplace for farmers whose rice and soybeans grow in the lush green fields outside of town. Made prosperous by the oil boom of the 1970s, Jennings and all of Louisiana suffered a virtual economic depression during the oil bust of the 1980s. Unemployment rose to over 25 percent with two out of every ten jobs lost since 1980, real estate lost up to 50 percent of its value, and the state witnessed an out-migration of its population of 10 percent. Jennings Main Street suffered business failures to the point where 24 buildings stood empty.

Under the energetic leadership of Mayor Greg Marcantel, Jennings turned to tourism as one part of an economic development program aimed at restoring the economic health of the community. The downtown historic district centering around Main Street was the focal point of the effort, but projects have been implemented throughout the city. These include the city-funded W.H. Tupper General Merchandise Museum (which received gross receipts of 800% budgeted estimate in the first year), the Chateau Des Cocodries, the Pioneer Telephone Museum, the facade rehabilitation program, a low interest business program, the removal of overhead utility wires, and a phenomenal six-week restoration of Jennings' 1939 Art-Deco movie theater, The Strand, in time for the premier of John Sayles' "Passion Fish," which was partially filmed in Jennings.

The economic benefits of rural tourism can be measured in such areas as job creation or hotel/motel tax increases. What remains unmeasurable and priceless is the rekindling and development of community pride. Jennings' Mayor described this value-added intangible byproduct well when he said, in reference to their newly renovated theater: "We aren't doing this for the tourists. We are doing it for us, because we are the ones who came to this movie house every week growing up, and we are the people who get to walk on these streets everyday."

Today, the number of empty buildings in Jennings stands at six, sales taxes are up, the downtown business district is recovering, and thousands of visitors have shared the enjoyment of the beauty and culture of Jennings.

Additionally, the city has been identified by the State of Louisiana and by USTTA as a rural tourism development success story. And the Jennings' story subsequently has been featured, along with Los Angeles, Chicago, Miami, and New York City, in USAToday and in nationally syndicated newspaper stories.

CONCLUSION

The case of Jennings, LA, is only one example of the great economic development potential embodied in rural tourism for Louisiana. Plaquemines, Concordia, Catahoula, Donaldsonville, Avoyelles, Grant, LaSalle, Rapides, Sabine, Vernon, Natchitoches, and DeSoto are among many other communities and parishes that have been identified by the Louisiana Offices of Tourism and Rural Tourism Development.

Small towns across America are beginning to realize that the development potential tourism offers is attainable through the marketing of their communities both domestically and internationally. Public-private partnerships can be forged that will change the face of cities, from renovated store fronts and sidewalks to new or restored tourism attractions.

Visitors from across the globe have expressed an interest in seeing the heart of America, the frontier, often on tourism routes or theme itineraries linking historical, cultural, and natural attractions. This is having an economic multiplier effect on a diversity of travel industry sectors -- bus companies bringing international travelers to rural sections of the United States, the enhancement of Scenic Byways travel programming, and the conscientious integration of recreation and its byproducts, such as recreational vehicular travel, with sustainable tourism development in rural areas. Distribution considerations include how tourism revenues interact with other economic opportunities within the community and within the family unit. The income that is generated by rural tourism, however modest, can be utilized to revitalize the community and encourage further economic investment.

Through cooperative tourism activities at the local, state, and federal levels, rural America can move to the forefront in U.S. export promotion.

And Louisiana is doing an outstanding job in leading the way.

Thank you. I would be happy, now, to respond to questions.

END NOTES

1. Data source: World Tourism Organization, Madrid, Spain
World Travel and Tourism Council, New York, NY
2. Data source: U.S. Travel and Tourism Administration,
Washington, D.C.; U.S. Travel Data Center,
Washington, D.C.
3. Data source: U.S. Travel and Tourism Administration,
Washington, D.C.

STATEMENT OF
TODD C. LANDFRIED
EXTENSION SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

Before the
Subcommittee on Procurement, Taxation, and Tourism
Committee on Small Business
United States House of Representatives

Concerning Federal programs supporting tourism development in rural communities

June 25, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Good afternoon and thank you for the opportunity to speak about developing rural tourism opportunities and the tourism development efforts of the U.S. Department of Agriculture (USDA), the Cooperative Extension Service (CES) and the Federal Tourism Task Force of the National Initiative on Rural America (NIRA).

I am going to talk about a different approach to rural tourism development and specific CES programs which utilize this approach. Unlike typical tourism development programs that focus on infrastructure and marketing, our programs focus on community empowerment, local capacity building, leadership development, and attraction assessment. We believe that by improving the capacity of local communities to shape their own destinies, we lessen their reliance on government assistance and increase their chances of succeeding on their own.

Situation Overview

Many communities are beginning to look upon tourism as an economic savior from the economic downturns in some parts of rural America. People watch movies like "Field of Dreams" and "City Slickers" and think that if those folks can do it, so can they. If "all" you

have to do is to paint City Hall, print some brochures, distribute them at the local Chamber of Commerce office, get the local homemaker's club to make nick-knacks to sell, and call the local paper, that can't be too hard, can it? They take to heart the line from *Field of Dreams* "build it and they will come." So these communities set off to develop a special event, natural resource, or theme-type attraction with the hopes of creating jobs, increasing incomes, and maintaining governmental revenues.

Sometimes these events are successful and sometimes they are not. The successful events can draw regional visitors to the community and do raise some money. But there is a big difference between holding an event to raise money for a specific cause and establishing the community as a viable tourist destination. If a community is looking to develop a scenic byway, a natural resource area, or a large seasonal attraction, then simply cleaning up the town and sending out fliers is not enough. They must prepare their community for the potential onslaught of tourists, traffic, inconvenience, and costly infrastructure improvements that accompany large tourism development. One need look no further than Branson, Missouri to see the kinds of problems communities experiencing rapid tourism growth may face. Few communities, especially rural communities, consider the long-term ramifications of their efforts much less know how to address them.

Communities have approached Extension tourism specialists with requests like "we want to develop a lake into a tourist attraction and we want your help in finding us a company that will build a motel here." Or, "we need your help in writing a grant proposal so we can get money to build a road or community center." The focus seems to be on the construction of something tangible or visible that community leaders can point at to demonstrate progress. Not to say that this isn't important, it is. But in their haste to get something constructed, communities run a very real risk of adopting the first strategy that

appears to meet all of their needs and goals instead of conducting a very deliberate assessment of what their community has to offer, how to develop it, and how to market it.

The Extension Service believes that a deliberate results-oriented process of community assessment, strategic planning, developing local leadership, and technical training is key to increasing the potential for success in any tourism development effort. The CES has developed programs that address these issues individually and collectively, which I will describe in a few moments. This approach has only recently begun to receive the level of interest and development that it deserves.

Tourism Development Requires Education and Technical Assistance

In a report titled "Strategic Plan for Development in Rural America," the U.S. General Accounting Office (GAO) says that "the Federal government's role in rural areas must change from one of financier to that of facilitator and technical advisor."¹ Dr. Pat Long, Chairman of the National Rural Tourism Development Foundation, writes:

*"Successful development and management of a tourism industry requires three main ingredients: (1) leadership, (2) a planning process, and (3) technical assistance. If a community is lacking in any one of these, the chances for long term successes and sustainability of the tourism effort will be diminished. As the tourism development effort progresses, communities that are able to systematically plan for tourism are most likely to realize the benefits associated with the integration of these three key ingredients."*²

Rural residents testified that they needed technical assistance more than money during hearings held by the President's Council on Rural America in 1991. Bill L. Amick from Batesburg, South Carolina testified:

¹ Strategic Plan for Development in Rural America, Fiscal Years 1993 - 1997, p. 10. The report does not imply that the Federal government should not finance projects. It suggests that the Federal role ought to move in the direction of focusing more on technical assistance than on project finance.

² Organizing Resources for Tourism Development in Rural Areas, p. 3.

"We do not need handouts. . . We need . . . to empower local leaders to create their own vision and to develop their own strategies."³

In its report to the President, The Southern Rural Development Initiative states: "Traditional development policy emphasizes the need for infrastructure development in physical terms--sewerage systems, water and roads. The knowledge needed for development is 'technical' in nature--business plans, feasibility studies, and market research."⁴ In these days of tight budgets and "reinventing government," a wise strategy would be to invest in people by providing them with the educational and technical assistance they ask for in conjunction with traditional funding programs. Besides, unlike infrastructure or equipment, knowledge is never lost to other sectors of the economy--it is only under-utilized.

Mr. Chairman, providing knowledge and technical skills to people is Extension's strategy and strength in rural economic development.

Programs Must Be Flexible

Through CES experience in community development, we have identified five general areas communities need to focus on when considering tourism as an economic development strategy: (1) leadership identification and development, (2) community assessment, (3) strategic plan development, (4) attraction/industry-specific training, and (5) marketing. Each community has different needs and there is no standard formula that will work in all communities. We've all heard the phrase "one size does not fit all." Mr. Chairman, truer words were never spoken. Programs must be flexible enough to consider the economic and

³ Revitalizing Rural America through Collaboration: A Report to the President, Report of the President's Council on Rural America, p. 9.

⁴ Rural Development Reconsidered: A Perspective from the South, p. 25.

demographic conditions and capabilities of the community to support tourism development and focus on what is in the best interests of the community versus what is in the best interests of the program. Without this understanding, development efforts run the risk of falling victim to trendy solutions, poor planning, and wasting precious rural resources. We believe USDA and CES tourism programs include this important level of flexibility and focus.

Extension Efforts in Rural Tourism Development

The role of the CES is education and the transfer of technology from the University to the community. Through its county-based delivery system, the CES draws upon local expertise and networks to identify how programs can be tailored for a specific community. Extension agents are also well-respected members of the local community who provide leadership and various levels and types of assistance to the local community. These agents have developed strong trust relationships with local residents who look to "their" county agent for information and ideas on issues facing their county and community.

Extension personnel are some of the most highly regarded professionals in rural tourism development. The Minnesota Extension Service published the well-received "Training Guide for Rural Tourism Development" in 1991. The guide walks communities through the tourism development process which I outlined above. It has served as the model for many State tourism development handbooks. The Minnesota effort was led by John Sem, now at the University of Colorado-Denver. In 1991, the U.S. Travel and Tourism Administration published a handbook called "Tourism USA." This handbook covers topics such as appraising tourism potential, planning for tourism, assessing product and market, marketing tourism, visitor services, and sources of assistance. "Tourism USA" was written by Dr. Glenn Weaver of the Missouri Cooperative Extension Service. Dr. Weaver recently

completed "Tourism Development: A Guideline for Rural Communities" as a resource guide for U.S. Travel and Tourism Administration's second national Rural Development conference held in Rapid City, South Dakota. Dr. Weaver also consults with several State tourism departments across the United States. Another noteworthy example is "Hometown Discovery: A Development Process for Tourism." This handbook is a joint effort between South Carolina Extension Service at Clemson University and the South Carolina Department of Parks, Recreation, and Tourism.

Extension History in Rural Development

Over the years Extension programs and research in community and economic development has spawned many well-respected programs such as business retention and expansion visitation programs, economic input/output modeling programs, and tourism development. The CES has trained countless citizens and economic development professionals in leadership, planning, and program development and has collaborated with many Federal and State agencies in their rural development programs.⁵

Community Resource and Economic Development Base Program in Tourism

Among the purposes of Extension tourism development efforts are to (1) promote economic development, (2) create jobs, (3) act as a catalyst for industrial development, (4) contribute to the development of a diversified economy, and (5) support infrastructure development. As you can see from this list, the CES does not promote tourism as a be-all,

⁵ I must emphasize that the level of assistance the CES can provide to communities varies widely from State to State. Not all CES departments give a high priority to community development as they do with other base programs. But the fact remains that the majority of County agents provide some leadership in economic development in their community even though they are not recognized nor evaluated for having done so.

end-all strategy for economic development. Tourism is just one part of an overall development strategy. To do otherwise would not be in the best interests of the community. Just as communities should not pin all of their hopes on industrial (including oil) development, neither should they do the same for tourism.

Extension tourism programs can be categorized into five types: (1) those designed to establish foundations for long range development and management of local/regional tourism industries, (2) those designed to meet an immediate short term objective, (3) those designed to help individuals and encourage business development, (4) those designed to assist with specialized or target markets, and (5) those programs that are topical in nature. Long range development programs focus on processes and community resource development, including organizational development, conceptual and master planning, and management/leadership. Short term programs include courses in hospitality training, how to create a brochure, marketing strategies, and business start-up. Individual and business development programs include: starting a bed and breakfast, fee hunting or fishing, starting a craft business, and marketing small businesses. Specialized programs include seminars in eco-tourism, heritage tourism, agricultural tourism, and cultural tourism. Other programs include special research projects, economic impacts and analyses, community resource development, and demonstration programs.

Louisiana's Cooperative Extension Service (LA-CES) program is typical of those CES programs that offer tourism development assistance. Margaret Moore, the State extension tourism specialist who is here with me today, conducts programs in tourism development, hospitality training, downtown revitalization and community development.

To support tourism development in Louisiana, the LA-CES offers a program to assess tourism authenticity, costs and benefits, potential as a economic diversification strategy,

outlook for sustainable development, and how a community can control tourism growth. A 450-page manual and workbook was prepared to help parishes undertake this important process. Another key component is a hospitality training workshop, which works with tourism-based businesses to teach staff how to deal with tourists in a manner that will make them want to return to Louisiana on future trips. A training-the-trainer manual for hospitality will be published in the next two months. LA-CES business development programs include: employment diversification, home-based business development, business plan formulation, and business retention and expansion. Direct business assistance seminars are offered in areas such as: helping business respond to changing market and economic conditions; setting up revolving loan funds; getting and keeping customers; store/interior layout; advertising; retail theft prevention; and analyzing consumer shopping habits.

Extension research efforts are an important support component for tourism development. Community/parish assessment and feasibility studies, which assess a community's resources and possibility for growth, are available through LA-CES. The LA-CES has reviewed the Toledo Bend development study and found it to be a very comprehensive plan. Margaret will discuss this assessment and can provide details on how Louisiana CES programs could help.

The OuR-TOWN Pilot Project

OuR-TOWN is a pilot tourism development program of the Communities in Economic Transition (CET) national Extension initiative. OuR-TOWN stands for the Qn-line Rural Tourism Opportunities Welcome Network. It was originally conceived as a means of conducting local tourism attraction inventories and providing the data to the public through an electronic bulletin board or through a stand-alone PC-based product in a travel agency. The project has evolved to include a formal program of assessment, planning, and education.

These changes were necessary for OuR-TOWN to be seen as a viable economic development tool.

Extension tourism and economic development specialists, in cooperation with State tourism departments, will conduct a series of leader identification, local attraction assessment, strategic planning, and educational programming efforts that will enable local leaders to assess their readiness for adopting (or continuing) tourism as an economic development strategy. The attached time-line is an example of how OuR-TOWN could be applied in any community. What sets OuR-TOWN apart from existing programs is that it links Extension programs in tourism, community, and leadership development with existing State and local programs to ensure the broadest impact possible and enhance the possibilities of success.

OuR-TOWN can be broken down into five phases: (1) Coordination; (2) Leadership Training; (3) Attraction Assessment and Strategic Planning; (4) Education and Technical Assistance; and (5) the OuR-TOWN National Database. Only when a community has completed an earlier phase will it be ready to go onto the next one. The Coordination phase links the Extension programs with those of other public and private sector organizations to eliminate duplication of effort or programmatic conflict. Leadership training is important because no matter how good your plan is, if you do not have leaders who can carry it out, the plan will probably fail. The Attraction Assessment and Strategic Planning phase takes the community through a detailed process of looking at what they have to offer, what type of event(s) could they develop, deciding whether tourism makes sense for their community, and then through the development of an overall tourism strategic plan. Education and technical assistance is offered to those businesses that have been identified as having a role in the local tourism industry. Finally, the OuR-TOWN database is a means of using the information gathered during the assessment phase and using it to develop marketing plans and to advertise

the local attractions nationally through an electronic bulletin board system, travel agencies, Chamber of Commerce offices, and State tourism welcome centers. OuR-TOWN is currently in the final stages of development. I have brought the database with me and would be happy to demonstrate it following the hearing. A flow diagram of OuR-TOWN can be found in Appendix A.

OuR-TOWN is being developed in two stages: the strategic planning and technical assistance programs and software development. The former consists of coordinating and refining existing tourism and community development programs and is being developed by the best people the Extension Service, USDA, the Federal government and the private sector have to offer in tourism development. The software is being developed at Utah State University and will bring interactive, multi-media tourism marketing to rural communities. I have written a paper describing in detail the OuR-TOWN pilot program, which is included in Appendix B.

Linkage to USDA Rural Development Programs

The Extension Service, the Federal partner of the CES, is not the only agency within the USDA that conducts programs in tourism or economic development. The Forest Service, Soil Conservation Service, Rural Electrification Administration and the Rural Development Administration all have programs that can be used by communities to support development efforts. Through various initiatives, the USDA is making headway in making sure that if one agency has a development program underway in a particular region, that its sister agencies know about it and are involved. In planning for this hearing, we held discussions with all of the Federal agencies involved in tourism to provide lists of the programs that it currently has

in place in Louisiana. Their responses are included in the binder each of you received this morning.

Under the auspices of the National Initiative on Rural America, the USDA is piloting a training program for Federal agencies and their State-level staffs in developing collaborative working relationships which focuses on linking programs and sharing expertise and resources. Known as SPARCS, the goal is to reduce duplication of services, share resources, increase the knowledge of field staff of the types of programs in sister agencies, and to coordinate time-lines, program implementation, and planning.⁶

Linkage to other Federal Rural Development Efforts

A few minutes ago, I mentioned a program called the National Initiative on Rural America. One purpose of the NIRA is to establish State Rural Development Councils. The Councils have been established to build effective partnerships and long-term strategies for achieving economic and social progress within their States. Their role is to remove barriers and to provide a forum in which effective joint action can occur between Federal and State governments, as well as local governments, educational institutions, Native American tribes, and the private sector. On the Federal level, the NIRA is intended to encourage and assist Federal agencies in developing collaborative relationships.

A Federal Tourism Task Force has been formed by NIRA to look at how Federal agencies can assist States with tourism development projects. This group of senior staff of Federal, State, and private sector agencies has begun a strategic planning process to learn

⁶ SPARCS is an acronym which stands for Strategic Partnerships for Active Rural Communities. This effort is being led by the Communities in Economic Transition staff of the Extension Service, the Cooperative Forestry unit of the Forest Service, and the Resource Conservation and Development program of the Soil Conservation Service.

about each agency's mission, programs, and long-term goals and objectives.⁷ The goal of the task force is to identify specific projects in the States where member agencies could pool resources and help a State or region with the development of a specific tourism project.

Upon the completion of its strategic planning process, the Task Force will begin identifying specific potential projects by the end of summer of this year. We would encourage the State of Louisiana to work with the relevant Federal agencies and develop a proposal for the Task Force's consideration.

Conclusion

Mr. Chairman, it is clear that you and the committee have the best interests of your constituents in mind by holding this hearing and having such a broad range of people here to testify. You and the Committee are to be congratulated for the leadership you have shown in taking this thoughtful approach. You recognize that people need to understand what is happening to their parishes' economy and what they can do about it. They need to know how to assess their situation and develop plans. They need to know how to consider a broad range of potential solutions. And, they need to know that it is o.k. to say that a given strategy is not for them. The role of leadership, planning, and technical assistance is critical to their success. The USDA and the CES are prepared to help fill in the gaps between wanting to do something, knowing how to do it, and knowing how to do it wisely.

Thank you.

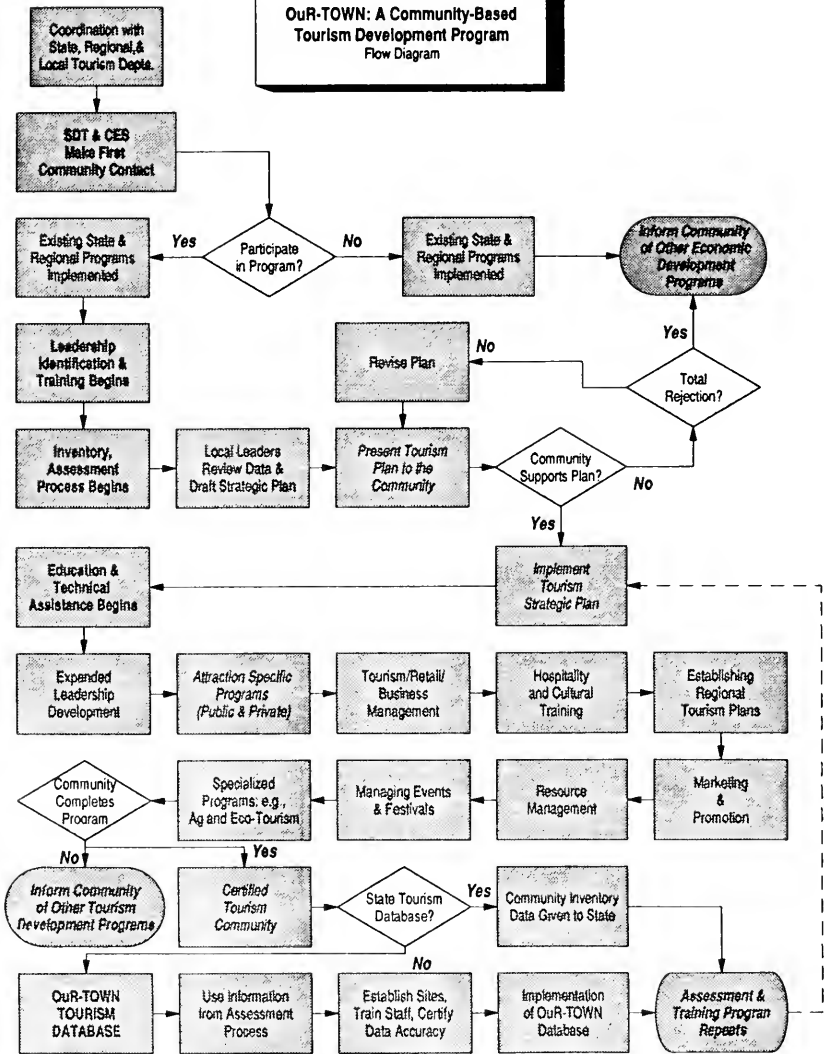
⁷ Member agencies include: Forest Service, Soil Conservation Service, Extension Service, Small Business Administration, Rural Development Administration, Appalachian Regional Commission, Tennessee Valley Authority, Congressional Travel and Tourism Caucus, Travel Industry Association of America, Army Corps of Engineers, National Park Service, Bureau of Land Management, Department of Transportation, National Endowment for the Arts, staff of the House Subcommittee on Procurement, Taxation, and Tourism, and representatives of State Travel and Tourism Directors.

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APPENDIX A

Our-TOWN: A Community-Based Tourism Development Program Flow Diagram



APPENDIX B

**Our-TOWN:
A Community-based Tourism
Development Pilot Program**

Written by

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Presented at the

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Third Annual NASDA Conference on Tourism Development
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Rapid City, South Dakota

Updated for the

Committee on Small Business
Subcommittee on Procurement, Taxation and Tourism
hearing on
Promoting Tourism & Economic Opportunities in Rural Areas
July 19, 1993
Alexandria, Louisiana

**Our-TOWN:
A Community-based Tourism Development Pilot Program**

"The traveler sees what he sees, the tourist sees what he has come to see."

--Gilbert K. Chesterton

BACKGROUND

As communities begin to grapple with national and global economic changes, they begin to look for specific development strategies that might generate jobs and incomes for their citizens. Many look to the traditional strategies of business attraction and industrial development as their primary method. Others, recognizing that they may not have the employee-base, infrastructure, or capital to undertake industrial efforts, or that their natural resources could be developed as an attraction look to tourism. The notion that tourism is perceived as "cheap," "easy," "clean," and does not require a highly-skilled labor force is another reason why communities find tourism an attractive option. Other factors may be that tourism is the nation's third largest industry, is the largest U.S. export, and is 6.5% of the U.S. Gross National Product (GNP).¹ According to the U.S. Travel Data Center, tourism expenditures grew 43% between 1985 and 1990 and are expected to continue at that pace into the future. Most industrial sectors cannot match that level of growth, and with the perceived low-cost of tourism development, it is easy to understand why communities are drawn to tourism as an economic development strategy.

In their enthusiasm, communities may not recognize the amount of infrastructure and skills that must be present for any tourism strategy to be effective, much less create jobs. It is also important to recognize how many different industries and businesses contribute to tourism. As communities investigate tourism as a strategy, they should start to see the size and type of commitments that are necessary to develop long-term marketable tourism destinations and attractions. Unfortunately, too many communities dive into tourism without thinking through the impacts on things such as community values, privacy, roads, police and fire services, sewer systems, wages and employment. Where do these communities go for help in investigating whether tourism is for them and who provides the technical assistance necessary to develop viable attractions? The answer is state tourism departments.

By their own admission, state tourism departments are primarily in the business of tourism *marketing*. They work with attractions in the state and conduct joint marketing, advertising, and tour packaging programs with the goal of bringing tourist revenues into the state. While many State tourism offices do provide some technical assistance to communities and attractions to ensure they provide good experiences

¹ Tourism Facts: 1991, The Travel and Tourism Government Affairs Council, Washington, D.C., p. 1.

and remain viable businesses, the type and frequency of these programs can vary greatly from state to state. The tourism programs of the Cooperative Extension Service (CES) can supplement and enhance state tourism efforts by providing community-based educational workshops on issues that are important to tourism development, but may not be offered by the State. For example, the CES can provide training on topics such as: creating destination points, bed and breakfast management, hospitality, retail management, business retention and expansion, and brochure development. Currently, there is no clear strategy to link state and Extension tourism programs together in this way. The CES OuR-TOWN program is designed to be such a strategy.

The CES has been involved in tourism development (primarily rural tourism) for over two decades. Extension tourism specialists have taught workshops, published development guidebooks, and conducted research in tourism that has helped hundreds of communities and businesses develop or improve their tourism industries². The U.S. Travel and Tourism Administration (USTTA), state tourism departments, and local economic development organizations have benefited from Extension research and education and technical assistance programs. Kentucky and New Mexico Cooperative Extension Services received Congressional funds (in FY1988 and FY1992 respectively) to conduct state and regional tourism development programs. In fact, some of the most widely recognized experts in rural tourism development are Extension specialists. The implementation of Extension Service-USDA's (ES-USDA) Communities in Economic Transition (CET) National Initiative provides a programmatic framework to provide such assistance to rural communities.

OuR-TOWN stands for the On-line Rural Tourism Opportunities Welcome Network. It was originally conceived as a means of conducting local attraction inventories and making the data available to the general public through an electronic bulletin board or through a stand-alone PC-based product in a travel agency. The project has evolved to include a formal program of assessment, planning, and education. These changes were necessary for OuR-TOWN to be seen as a viable economic development tool. Using the name "OuR-TOWN" for the entire program is intended to highlight the differences and link the concepts of tourism development with tourism promotion.

OuR-TOWN is a capacity-building and empowering process for local communities. Tourism development is not an overnight process. Much time and effort goes into the development, marketing, and maintenance of a tourism industry. What follows is a conceptual outline of how OuR-TOWN could work in a region or community to increase the likelihood of developing a viable tourism industry.

² Examples include: Hometown Discovery: A Development Process for Tourism by Carol J. Amos and Thomas D. Potts, Clemson University, 1993. The University of Minnesota's A Guide for Rural Tourism Development, Tourism Center, Minnesota Extension Service, University of Minnesota, 1992. And two books by Glenn D. Weaver, Tourism Development: A Guideline for Rural Communities, University of Missouri, 1993, and Tourism USA: Guidelines for Tourism Development, University of Missouri, third edition, 1991.

THE OuR-TOWN CONCEPT

The key component of OuR-TOWN is education. It is through the learning process that the residents of a community can begin to understand "tourism" and what it means for them. It is also the means by which they will gain ownership of their local plan and accept the responsibility for making it work.

Extension tourism and economic development specialists, in cooperation with state tourism departments, will conduct a series of leader identification, local attraction assessment, strategic planning, and educational programming efforts that will enable local leaders to intelligently assess their readiness for adopting (or continuing) tourism as an economic development strategy. The attached time-line is an example of how OuR-TOWN could be applied in any community. What sets OuR-TOWN apart from existing programs is that it formally links Extension programs in tourism, community, and leadership development with existing state and local programs to ensure the broadest impact possible and enhance the possibilities of success.

OuR-TOWN can be broken down into five phases: (1) Coordination; (2) Leadership Training; (3) Attraction Assessment and Strategic Planning; (4) Education and Technical Assistance; and (5) the OuR-TOWN National Database. Only when a community has completed an earlier phase will it be ready to proceed into the next phase. Below is an example of how this might work.

Initial State Contact/Identifying the Lead Agency:

People in communities will find out about the OuR-TOWN through state or local economic development groups, professional associations, newsletters, meetings, their County Extension office, or the media. Although OuR-TOWN is being developed by the Extension Service, it is not intended to be an "Extension only" program. It is a collaborative effort between CES and State Tourism Department, economic development agencies, and local community groups. Before OuR-TOWN will be offered in a state, discussions will be held with those agencies responsible for developing and promoting tourism and a consensus reached on whether to offer OuR-TOWN in the state and who will serve as initial contact for that state. Those communities interested in OuR-TOWN will be directed to contact that office.

Coordination:

Without coordinating Extension tourism development efforts with other state, federal, and local agencies or programs, Extension runs the risk of being seen as an intruder. Every effort will be made to identify and contact existing stake-holders within the community and the state to learn about their programs and to work with them to eliminate duplication, enhance cooperation, and conduct programs that are mutually beneficial.

Leadership Training:

Leadership identification and training is a critical component of the OuR-TOWN process. No economic development plan, regardless of whether it is in tourism or industrial development, can succeed without local leaders who understand the ramifications and support the strategic plan. Participants in this phase will be taught how to identify problems, opportunities, organize, and most importantly, understand tourism's impact on their community.

Attraction Assessment & Strategic Planning:

As was stated above, many communities may not understand what it takes to support a tourism industry. Each community, whether they are into tourism or not, will conduct an inventory and assessment of the community's attractions, prepare a tourism strategic plan, present the plan to the community, and assist with the implementation of the plan. This process is similar to that used in Extension's successful business retention and expansion (R&E) program.

The assessment phase centers around in-person interviews of business owners to learn more about their attraction, its contribution to tourism, any problems they may be encountering, and ideas on how the community could best help them be more competitive. Economic impact modeling tools such as IMPLAN could be used to forecast tourism's effect on the economy.³ The product of this phase is information that can be used to draft the community's strategic plan and support the OuR-TOWN tourism marketing database for that community.

Following the assessment, Extension tourism and economic development specialists and other interested collaborators help local leaders draft a strategic plan for tourism. The plan is based upon the information collected during the inventory and on other information such as regional Census data. Only after the local leaders have ownership of the plan is it released to the community.

Education and Technical Assistance:

When a community decides that it will enter the tourism market, it must prepare for the intended onslaught of tourists and their money. Unfortunately, putting up a few billboards or preparing brochures to place on racks in travel agent's offices will not necessarily bring the tourists running. Local residents, business owners, local government leaders, and the local work-force must all be prepared to interact with

³ IMPLAN is a computer-based economic modeling program that permits users to enter in economic, demographic, and other regional data, which can then be used to estimate the economic impacts of development on a community, region, or state. IMPLAN has been used in regional planning efforts to estimate the effective re-use of closed military bases, and in assessing industrial development projects, among others.

tourists in order to make their stay enjoyable. Working with state and regional tourism agencies, Federal agencies, and regional rural development centers, the Cooperative Extension Service in many states can offer a variety of workshops and seminars to improve local capabilities. Below are a few examples of Extension programs:

Bed & Breakfast Management: teaches the "ins and outs" of managing a Bed and Breakfast operation. Specific course items may include planning and development, administration, operation, and promotion.

Hospitality Training: Good service is what keeps customers coming back. This old maxim is critical to the success of any tourism plan. Extension programs in hospitality include: increasing community awareness of tourism and the importance of hospitality, understanding the tourists' needs and expectations, and understanding cultural differences.

Retail Management: Local shops and stores can also benefit from a growing tourism industry. Whether it is the local grocery store, gas station, or souvenir shop, tourists need food, gas, and memorabilia. Extension retail development programs can assist local retailers in designing more appealing store layouts and displays, managing employees, or taking advantage of marketing information to better target their advertising dollars.

Brochure Development/Marketing: Marketing is the area where most traditional tourism development occurs. Working with state and regional tourism agencies, Extension specialists can assist local communities in developing comprehensive marketing plans that include brochure development, the creation of an overall marketing strategy, and introduction to the OuR-TOWN database (see below). Examples include the marketing of local products, or establishing a local festival. Much of this work will utilize the information gathered through the assessment and strategic planning process the community has already completed.

Regional Development: Tourism should not be developed solely as a strategy for a single community. Marketing research and practical experience have shown that regional approaches to tourism are much more effective than singular location strategies in attracting and retaining tourist visitor-days. Workshops utilizing Extension and other research findings can demonstrate these impacts and can work with multi-community groups or counties to develop a regional strategy that fits together with state and local goals and objectives.

The Cooperative Extension Service can also provide seminars on topics such as: creating destination points, improving employee skills, preparing for international visitors, managing events and festivals, ag-tourism, eco-tourism, and partnering for

tourism development. The CES could also assist with infrastructure and other feasibility studies and identifying potential funding sources.

OuR-TOWN National Database:

One state tourism director said that "My job is to generate revenues for the state. All of my efforts go into developing a product that will attract recreational visitors as well as business visitors. To do my job, I need to collect all of the information I can that we know will be of interest to both types of visitors and get that information out to the public. When they have that information, I know they will want to come here." That statement sums up what tourism marketing is in the broad context. It means getting the word out to people who are interested in traveling--for whatever reason--and getting them to choose a specific destination.

Different states and businesses have different methods of marketing themselves. For example, the State of West Virginia may not have the travel marketing budget of the State of Florida and therefore may not be able to develop a high-tech tourism marketing system. Similarly, Hilton Hotels can probably develop a more effective and wide-reaching marketing plan than a rural Bed & Breakfast (B&B), which means that people across the country can easily locate a Hilton, but not a B&B. While capabilities may vary, the need to get information out to the broadest audience is the same in both cases.

The marketing component of OuR-TOWN is an attempt to help states, communities and attractions gain access to a broader customer-base through the use of an electronic database. The database is being designed to permit access directly by travel agents, at state and regional welcome centers, local chamber of commerce offices, or by the general public through computer information systems.

The information collected during the assessment phase is input into a national database of rural and out-of-the-way attractions. This database includes current information on attraction name, location, features, rates or fees, proximity to larger attractions, handicapped accessibility, and methods of payment accepted. Travelers can search for opportunities based on location, main feature, or town or city name. From a list they can then select those attractions that interest them the most, browse detailed information on that attraction, and print out the information that they can take with them. The database is currently under development at Utah State University in cooperation with ES-USDA.

Several states are developing similar electronic bulletin board systems or kiosks that use state-level and telephone system information as their data source. The OuR-TOWN data could easily be added to or supplement the data contained in those systems. Whether or not a state is developing an electronic database of tourism attractions, the data collected as part of the OuR-TOWN project can be used with those state projects.

Pilot Efforts:

A pilot effort of OuR-TOWN is currently underway in the multi-state region of Tennessee, Georgia, North Carolina, and South Carolina known as the Southern Highroads area. Funding for the pilot is being provided by ES-USDA (as part of the Communities in Economic Transition Initiative) and the Tennessee Valley Authority (TVA). Utah State University is funding the development of the software and the coordination of tourism-oriented educational materials. ES-USDA and Utah State have entered into discussions with a multi-national communications company to provide national access and updating capabilities to the data base. A pilot project with four western states is also under consideration and discussions are underway with TVA to expand OuR-TOWN into other TVA states.

Training Needs:

As with many new programs, a certain number of assumptions are made regarding the readiness of the participating agencies and their staff to conduct those programs. For example, not everyone knows how to build collaborative relationships between state tourism offices, regional tourism development groups, and local governmental units. State tourism specialists may need to improve their skills and develop or obtain new training materials. Some people may need to better understand the overall relationship between tourism and economic development. Training those people who will do the work in the communities is a critical factor if OuR-TOWN is to be successfully implemented. To address this issue, the Communities in Economic Transition "EXPERT" Team in tourism could conduct intensive "train the trainer" programs for several representatives from each state.⁴ Graduates would return to their states and train other trainers and serve as the "core" faculty for state sponsored programs. This has the advantage of serving as a vehicle for linking the OuR-TOWN program to most states.

CONCLUSION

The purpose of OuR-TOWN is to develop meaningful tourism development strategies for regions and communities and to help implement and sustain tourism in a given state, region, or community through Extension research, education, and technical assistance. OuR-TOWN can have the greatest impact only after a community has completed the entire program. This is due primarily to the community's having developed an understanding of tourism and how it impacts their economy from start to finish. As a result of their involvement with OuR-TOWN, the community will have: (1) a working strategic plan; (2) completed leadership training; (3) identified products and services to promote; (4) identified its strengths and weaknesses; (5) developed

⁴ An EXPERT team consists of tourism specialists drawn from the best people available in Extension System. The team will have practical skills in tourism and will maintain cutting-edge, state-of-the-art approaches to tourism development.

hospitality skills in local employees; and (6) a readiness to enter marketing programs developed by its State Department of Tourism.

The greatest benefit to the local community is that it enters (or stays) in tourism with a base of knowledge that will enable them to make sound, rational decisions that will affect the lives of their citizens. In other words, they will enter tourism with their eyes wide open. By pooling resources, sharing expertise, establishing a local understanding of tourism, and coordinating the development of local and regional tourism plans, state and regional tourism departments or agencies will benefit by being able to promote a higher quality tourism experience.

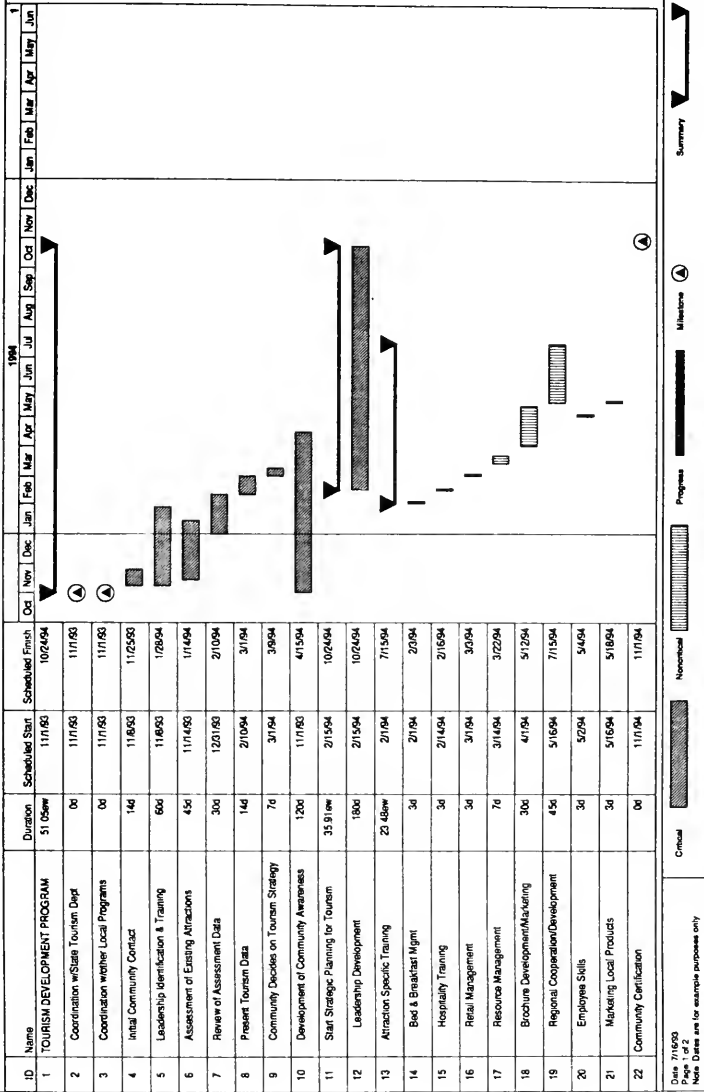
It was stated at the beginning of this paper that most state and regional tourism agencies do not have the resources necessary to provide the level of assistance necessary to assess or develop tourism strategies for every community that needs or wants assistance. Similarly, the Cooperative Extension Service cannot and does not want to be the sole provider of tourism development assistance in states, nor does it have the resources to do so. By joining forces, state tourism agencies, regional or local organizations, and the Cooperative Extension Service can implement a detailed, highly effective tourism/economic development strategy that can pay long-lasting dividends well into the future. Upon completing this program, communities will confidently welcome tourists to "Our Town."

"Great discoveries and improvements invariably involve the cooperation of many minds. I may be given credit for having blazed the trail but when I look at the subsequent developments I feel the credit is due to others rather than to myself."

--Alexander Graham Bell

OUR-TOWN: A COMMUNITY-BASED TOURISM DEVELOPMENT PROJECT

Initiatives in Economic Transition National Initiative
Cooperative Extension Service, USDA



DRAFT – Community Implementation Model – DRAFT

OUR-TOWN: A COMMUNITY-BASED TOURISM DEVELOPMENT PROJECT

Communities in Economic Transition National Initiative
Cooperative Extension Service, USDA

ID	Name	Duration	Scheduled Start	Scheduled Finish	1994											
					Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
23	DATABASE UTILIZATION	14.2w	9/1/94	12/6/94												
24	Coordination w/State Tourism Dept.	0d	9/1/94	9/1/94												
25	Assessment of State Efforts	7d	9/1/94	9/9/94												
26	System Training Workshop	7d	9/9/94	9/16/94												
27	Input of Data	60d	9/19/94	12/6/94												
28	Data Verification	3d	10/20/94	10/24/94												
28	Merge Local Data into Database	3d	10/24/94	10/26/94												
30	Transfer of Data to State Travel Dept.	5d	10/25/94	10/31/94												
31	Training of Local OUR-TOWN sites	14d	10/25/94	11/14/94												
32	Setup of OUR-TOWN System (if needed)	2d	10/26/94	10/27/94												
33	Start-up of Local OUR-TOWN System	0d	11/5/94	11/5/94												

Date: 7/15/93
Page: 2 of 2
Author: D. G. ...

Cancel

Notified

Progress

Measure

Summary

DRAFT - Community Implementation Model - DRAFT

Our TOWN Attraction Survey Form

This information is being collected by local volunteers in an effort to promote rural tourism attractions. Although this survey is detailed, you as a respondent are not expected to answer all of these questions. Answer what you can as completely as you can. Thank you for your participation.

BUSINESS INFORMATION

Business Name:	
Business Address:	
City:	
State:	Zip Code:
Phone Number:	
Fax Number:	

Attraction Information

Category:
Opportunity Type:
Region of the State:
Tourism Region:
Area Designation:
Owner
Owner's Name:

Attraction Description (use additional space if necessary)

Description:

Attraction Details

In-Season Rates:	High Rate:	Low Rate:	High Season Starts:	Denominator:			
Off-Season Rates:	High Rate:	Low Rate:	High Season Ends:				
Discounts:	AARP:	School:	Group:	Corporate:	AAA:	Other:	
Payments:	Personal Checks:	Traveler's Checks:	P.O.'s:	Other Payment:			
Credit Cards:	Master Card:	Visa:	Amex/Optima:	Discover:	Diner's:	Other:	
Penalties:	Cancelation Penalty:	Penalty:	Days in Advance to Avoid Penalty:				
Hours of Operation:	Sun:	Mon:	Tue:	Wed:	Thu:	Fri:	Sat:

Additional Features:

Feature/Activity	In-Season High Rate	Off-season High Rate	Denominator

Travel Agency-related Information: The following information has been requested by the travel industry. You are not expected to have answers to all of these questions, but please provide as much information as you can.

Reservations:	Required:	Accepted:	Preferred:	Days in Advance:	Cancellation (days prior):	
Special Needs:	Handicapped Access:		RV Services:	Store On-Site:	Pets Allowed:	Meal Plan:
	Food Services:	Language Services:	Language:		Groups:	Group Size:
	Conventions/Meeting Facilities:		# Sleeping Rooms:	# Meetings Rooms:		
Access:	Commercial Airport Nearby:		Miles From Airport:		Airport Name:	
	Nearest Highway:		Nearest Exit:		Nearest Town:	
	Taxi Available:	Bus Available:	Train Service:	Other:		
Tax Information:	Local Sales Tax:		Local Room Tax:	Local Meal Tax:	Other Local Tax:	
	State Sales Tax:		State Room Tax:	State Meal Tax:	Other State Tax:	
Commissions:	Commissions Paid:		Percentage:	Payable/Due Upon:		
Special Travel:	IT Fare Available:		Carrier:	Pre-paid Land:	Carrier:	

Directions to Location:

From Nearest Highway:

From Nearest Airport:

STATEMENT OF
G. TILL PHILLIPS
ACTING REGIONAL ADMINISTRATOR
REGION VI - DALLAS, TEXAS
U.S. SMALL BUSINESS ADMINISTRATION

BEFORE THE COMMITTEE ON SMALL BUSINESS;
SUBCOMMITTEE ON PROCUREMENT, TAXATION & TOURISM
UNITED STATES HOUSE OF REPRESENTATIVES
ALEXANDRIA, LOUISIANA
JULY 19, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

GOOD MORNING AND THANK YOU FOR THE INVITATION TO BE HERE WITH YOU TODAY AND THE OPPORTUNITY TO DISCUSS TOURISM AND OTHER ECONOMIC DEVELOPMENT IN RURAL AREAS.

IN ALL OF MY CONVERSATIONS WITH SBA ADMINISTRATOR ERSKINE BOWLES, I HAVE COME AWAY WITH A CONVICTION THAT HE IS A FRIEND OF RURAL AMERICA BECAUSE OF HIS FAMILY AND PROFESSIONAL BACKGROUND. SPEAKING FOR MYSELF, I AM PLEASED ABOUT THIS BECAUSE SO MUCH OF MY OWN BACKGROUND ADMITTEDLY BIASES ME IN THE DIRECTION OF SMALL TOWN, RURAL AMERICA. IT IS A GOOD FEELING TO BE ABLE TO TALK ABOUT SUCH ISSUES WITHOUT HAVING TO FIRST EXPLAIN OR JUSTIFY THEM. FOR THE VERY SAME REASONS, IT WILL BE A PLEASURE THIS MORNING TO COVER THIS SUBJECT WITH THIS COMMITTEE AND THE PANELS.

FIRST, BY WAY OF GENERAL BACKGROUND, I WILL COVER THE SBA NATIONAL SCOPE OF ACTIVITIES AND INVOLVEMENT..... SECONDLY, THE REGION VI FLAVOR, AS IT WERE.....AND FINALLY, SOME THOUGHTS ON HOW WE CAN FOCUS EXISTING SBA RESOURCES ON THIS TASK IN LOUISIANA.

WE DO NOT KNOW EXACTLY WHAT TOURISM RELATED INDUSTRIES SPEND DIRECTLY ON TOURISM BECAUSE THE STANDARD INDUSTRIAL CLASSIFICATION CODE SYSTEM IS NOT REFINED TO THAT LEVEL AND THERE ARE NO SURVEYS WHICH BREAK OUT THIS INFORMATION FOR SMALL BUSINESS. THIS IS AN AREA THE AGENCY COULD RESEARCH FURTHER. NONETHELESS, SBA CONSIDERS TOURISM AS AN OPPORTUNITY FOR SMALL BUSINESS. WE WORK WITH TOURISM-RELATED BUSINESSES THROUGH OUR REGULAR PROGRAMS AND COORDINATE WITH OTHERS TO PROMOTE SMALL BUSINESS TOURISM DEVELOPMENT. THE FOCAL POINT IN THE SBA IS THE OFFICE OF RURAL AFFAIRS AND ECONOMIC DEVELOPMENT WHICH WAS ESTABLISHED IN 1991. ONE OF THIS OFFICE'S RESPONSIBILITIES IS TO COORDINATE WITH OTHER FEDERAL AGENCIES ON RURAL ECONOMIC DEVELOPMENT. IT MAINTAINS LIAISON WITH THE UNITED STATES TRAVEL AND TOURISM ADMINISTRATION AND NUMEROUS OTHER AGENCIES TO ASSIST SMALL BUSINESSES IN RURAL AREAS WITH TOURISM PROMOTION AND DEVELOPMENT. SPEAKING FROM A REGIONAL PERSPECTIVE, I HAVE FOUND THIS OFFICE EXTREMELY HELPFUL AND RESPONSIVE IN THESE MATTERS.

ENCLOSED WITH MY WRITTEN STATEMENT IS A LISTING OF SBA TRAVEL AND TOURISM LOAN ACTIVITY GOING BACK TO FY 1986 AND ON THROUGH THE FIRST QUARTER OF THIS FISCAL YEAR. IF YOU LOOK AT THE FULL 7 YEARS OF DATA (EXCLUDING THE INCOMPLETE 1993 DATA), IT CLEARLY SHOWS THAT

SUCH LOANS HAVE INCREASED SIGNIFICANTLY SINCE FY 1990, INDICATING AN OVERALL HEIGHTENED ACTIVITY IN THIS INDUSTRY. MORE IMPORTANTLY, AND THE PAST 7 YEARS, THE RURAL TRAVEL AND TOURISM LENDING HAS MORE THAN DOUBLED IN THE NUMBER OF LOANS WHILE THE DOLLAR AMOUNT HAS NEARLY QUADRUPLED. I BELIEVE THIS CLEARLY SHOWS THE MARKET TREND, AND WITH THE PROPER ASSISTANCE AND SUPPORT, WE SHOULD BE REASONABLY CONFIDENT THAT WE CAN REINFORCE IT. WE WOULD BE WORKING WITH WHAT IS ALREADY A VERY POSITIVE MOMENTUM.

SBA PARTICIPATES AS A MEMBER IN THE NATIONAL INITIATIVE ON RURAL AMERICA TO FOCUS ON HOW ALL FEDERAL AGENCIES CAN WORK WITH STATE RURAL DEVELOPMENT COUNCILS TO EMPHASIZE TOURISM AS A DEVELOPMENT TOOL. AS YOU ARE AWARE, MR. CHAIRMAN, THE SBA CENTRAL OFFICE STAFF RECENTLY BRIEFED YOUR STAFF COUNSEL ON TOURISM AND BARRIERS TO TOURISM DEVELOPMENT. WE ARE PLEASED, ALSO, TO KNOW THAT CONGRESS IS WORKING ON AUTHORIZATION TO HOLD A WHITE HOUSE CONFERENCE ON TOURISM. WE HOPE THAT THIS HEARING WILL PROVIDE IDEAS FOR THE LIST OF PROJECTS BEING CONSIDERED BY THE CONGRESSIONAL CAUCUS ON TOURISM AND THE FEDERAL RURAL TOURISM TASK FORCE IN WHICH SBA, OUR LENDING PARTNERS, AND OUR FUNDED RESOURCES -- SERVICE CORPS OF RETIRED EXECUTIVES (SCORE), SMALL BUSINESS INSTITUTES (SBI), SMALL BUSINESS DEVELOPMENT CENTERS (SBDC) -- CAN PARTICIPATE.

AND, FINALLY, ON THE NATIONAL SCHEME OF THINGS, THE SBA SIGNED A MEMORANDUM OF UNDERSTANDING IN JUNE OF LAST YEAR WITH THE U.S. DEPARTMENT OF AGRICULTURE IN SUPPORT OF THE PRESIDENT'S INITIATIVE FOR RURAL DEVELOPMENT (NOW CALLED THE NATIONAL INITIATIVES ON RURAL

AMERICA), WHICH INVOLVES 18 FEDERAL DEPARTMENTS AND AGENCIES, STATE AND LOCAL GOVERNMENTS, NATIVE AMERICAN TRIBAL COUNCILS, TRADE ASSOCIATIONS, PUBLIC INTEREST GROUPS, ACADEMIA AND THE PRIVATE SECTOR. RURAL TOURISM PROMOTION IS AN INTEGRAL COMPONENT OF THIS EFFORT.

TO IMPART MORE OF A SOUTHWEST REGIONAL FLAVOR TO MY COMMENTS, THERE ARE A NUMBER OF RURAL INITIATIVES I WOULD LIKE TO TELL YOU ABOUT EVEN THOUGH THEY ARE NOT RELATED SOLELY TO TOURISM OR ONLY IN LOUISIANA.

o ECONOMIC DEVELOPMENT STUDIES BY SBI SCHOOLS....OVER THE LAST 2 YEARS, OUR SBI SCHOOLS HAVE COMPLETED APPROXIMATELY 15 ECONOMIC DEVELOPMENT STUDIES IN RURAL AREAS. BEFORE THAT, THIS TYPE OF ACTIVITY WAS NOT AUTHORIZED. ONE OF THESE WAS COMPLETED BY NORTHWEST STATE UNIVERSITY HERE IN LOUISIANA. I BELIEVE THIS LEVEL OF ACTIVITY CAN BE INCREASED AND I WILL ADDRESS THAT IN MORE DETAIL WHEN WE TALK ABOUT LOUISIANA RESOURCES SPECIFICALLY.

o LOUISIANA

THE SBA DISTRICT OFFICE, SINCE THE BEGINNING OF THIS FISCAL YEAR, HAS BEEN INVOLVED DIRECTLY IN 16 DIFFERENT RURAL EVENTS. THE SBDC REPORT DESCRIBES MORE THAN 17 MAJOR EFFORTS IN RURAL DEVELOPMENT AND IS PART OF A BRIEFING BOOK AVAILABLE FROM THE SBA DISTRICT OFFICE ("STATE INITIATIVES ON RURAL LOUISIANA"). HERE ARE A FEW EXCERPTS. NORTHEAST LOUISIANA SBDC DIRECTOR,

DR. PAUL DUNN, IS INVOLVED IN THE DELTA PILOT WHICH WILL EMPHASIZE MINORITY AND RURAL ECONOMIC DEVELOPMENT. NICHOLLS STATE UNIVERSITY SBDC OBTAINED A GRANT WITH KISATCHIE NATIONAL FOREST FOR A DRIVING TOUR BROCHURE WHICH COVERS THE CANE RIVER PLANTATION COUNTRY. THEY ALSO MAINTAIN A SOLID WORKING RELATIONSHIP WITH 14 LOCAL AND REGIONAL ECONOMIC DEVELOPMENT GROUPS. THE SOUTHEASTERN LOUISIANA SBDC JOINS SCORE ON A JOINT CIRCUIT RIDING PROGRAM IN FOUR OUTLYING RURAL COMMUNITIES. THE LOUISIANA SBDC AND THE SBA DISTRICT OFFICE ARE MEMBERS OF THE LOUISIANA INDUSTRIAL DEVELOPMENT EXECUTIVES ASSOCIATION. IN EACH QUARTER FOR THE PAST 4 YEARS, THEY HAVE CONDUCTED TRAINING ON RURAL ECONOMIC DEVELOPMENT AND RECENTLY VOTED TO CONTINUE THIS ACTIVITY ON A SEMIANNUAL BASIS. IN ADDITION, THE SBDC AND SBA ARE ACTIVE MEMBERS OF THE LOUISIANA STATE RURAL ECONOMIC DEVELOPMENT COUNCIL WHICH INCLUDES FEDERAL AND LOCAL GOVERNMENT MEMBERS ALONG WITH LOCAL ECONOMIC DEVELOPMENT ENTITIES. THEIR ROLE IS TO DEVELOP AND IMPLEMENT A RURAL DEVELOPMENT STRATEGIC PLAN. THE NOTEBOOK AND THE LIST OF PARTICIPANTS IN THESE ORGANIZATIONS IS BEING SENT UNDER SEPARATE COVER TO THE COMMITTEE.

o SBDC RURAL INITIATIVES

IN ARKANSAS THE SBDC, WORKING WITH A CONSORTIUM OF OTHER ORGANIZATIONS, HELPED THE TOWNS OF WEST HELENA AND HELENA SUCCESSFULLY ESTABLISH A MARKETPLACE AT THE PORT OF HELENA.

THIS, IN TURN, ATTRACTED TWO TOURIST STEAMBOATS TO MAKE REGULAR STOPS WITH ENOUGH BUSINESS TO KEEP THE MARKETPLACE OPEN AND THRIVING DAILY.

THE WEST TEXAS SBDC IN LUBBOCK HAS A FOUR-PAGE LISTING OF PROJECTS; SOME EXCERPTS: WEST TEXAS ALLIANCE (FOUR COMMUNITIES) CREATED THE ASSOCIATION OF ORGANIC COTTON GROWERS CONFERENCE, ATTRACTING WORLDWIDE ATTENTION. OVER 20 FOREIGN COUNTRIES AND 15 STATES ATTENDED THE CONFERENCE.

THE PANHANDLE SBDC HELPED BORGER, TEXAS CREATE A RURAL SMALL BUSINESS INCUBATOR. THE BIG COUNTRY COMMUNITY DEVELOPMENT FEASIBILITY STUDY ON OSTRICH FARMING AND A SLAUGHTER PROCESSING PLANT WAS CONDUCTED BY THE SBDC. WINTERS, TEXAS TURNED TO THE SBDC TO ASSIST IN OBTAINING A LOAN TO BUY OUT A SEED COMPANY WHICH IN THIS TOWN OF 3000 MEANT RETAINING 25 TO 27 JOBS.

THE PARIS, TEXAS SBDC IS WORKING WITH FIVE RURAL COUNTIES TO ATTRACT OUT-OF-TOWN SHOPPERS AND TOURISTS WITH BED & BREAKFAST, HISTORICAL AND CULTURAL ATTRACTIONS AND ANNUAL EVENTS.

THE TEXAS DEPARTMENT OF AGRICULTURE, A&M UNIVERSITY AND THE DALLAS SBDC ARE INVOLVED IN DEVELOPING ACTIVITIES RELATED TO ADDED VALUE FOR FOOD PRODUCERS, PROCESSORS AND MANUFACTURERS.

THE UNIVERSITY OF HOUSTON SBDC (AT VICTORIA) IS INVOLVED WITH THE WHARTON COUNTY ELECTRIC COOPERATIVE AND THE EL CAMPO CHAMBER OF COMMERCE & AGRICULTURE TO OPERATE THE COASTAL PLAINS AGRI-BUSINESS INCUBATOR. THEY HAVE LISTED PRODUCTS AND PROJECTS FROM ALLIGATORS TO WATER BUFFALO, FROM BULLFROGS TO SHIITAKE MUSHROOMS.

AND, FINALLY, THE SAN ANTONIO SBDC HAS A RURAL CIRCUIT RIDE PROGRAM WHICH REACHES 15 RURAL COMMUNITIES, SPENDING AS MANY AS 4 DAYS EACH MONTH IN SOME OF THE COMMUNITIES.

o NEW MEXICO

IN COLLABORATION WITH THE STATE GOVERNOR OF NEW MEXICO ROTARY CLUBS, THE SBA ADVISORY COUNCIL, THE STATEWIDE SBA CERTIFIED DEVELOPMENT COMPANY, THE SBDC AND SCORE, THE SBA DISTRICT OFFICE IS BRINGING ECONOMIC AND BUSINESS DEVELOPMENT INFORMATION TO THE RURAL AREAS OF THE STATE. COMPLEMENTING THIS EFFORT, THE KELLOGG FOUNDATION, THE NEW MEXICO EXTENSION SERVICE AND THE SBA ARE REACHING OUT TO THE SEVEN NORTHERN COUNTIES OF NEW MEXICO.

o OKLAHOMA

BOTH SCORE AND THE SBDC IN OKLAHOMA HAVE A DISTINCTIVE RURAL FOCUS. EACH MONTH OVER 100 RURAL COMMUNITIES ARE CONTACTED AND VISITED. SCORE, WITH SBDC SUPPORT, HAS DEVELOPED AN "ADOPT-A-COMMUNITY" PROGRAM TO TARGET COMMUNITIES OF 1500 TO 7500 WITHIN A 50 MILE RADIUS OF TULSA. THEY WORK WITH THE

KEY BUSINESS AND COMMUNITY LEADERS TO ASSESS THE COMMUNITY'S STRENGTHS AND WEAKNESSES AND RECOMMEND STEPS TO REVITALIZE THEIR LOCAL ECONOMY.

o TEXAS

THANKS TO THE LEADERSHIP OF GOVERNOR ANN RICHARDS, THE TEXAS AGRICULTURAL FINANCING AUTHORITY (TAFSA) WAS CREATED TO BOOST RURAL DEVELOPMENT. THE SBA REGIONAL OFFICE DEVELOPED, IN TURN, AN AGREEMENT WITH THE STATE TO WRAP OUR GUARANTEE LOAN PROGRAM AROUND THEIRS TO PROVIDE OPERATING CAPITAL TO RURAL CLIENTS WHO HAVE A TAFSA LOAN FOR LAND, BUILDING AND EQUIPMENT. PRIOR TO THE TAFSA ARRANGEMENT, A STATEWIDE SBA CERTIFIED DEVELOPMENT COMPANY WAS FORMED BY THE TEXAS DEPARTMENT OF COMMERCE, UNDER THE EXECUTIVE DIRECTION OF MS. KATHY BONNER, IN ORDER TO COVER THOSE RURAL SECTIONS OF THE STATE WHICH HAD NO ACCESS TO ECONOMIC DEVELOPMENT FINANCING.

ONE OF THE MOST IMPRESSIVE EXAMPLES OF RURAL ECONOMIC DEVELOPMENT IN OUR REGION, SO FAR, SHOWS WHAT IT TAKES TO BE SUCCESSFUL IN MOST RURAL DEVELOPMENT PROJECTS, NAMELY: FEDERAL, STATE AND LOCAL GOVERNMENT AGENCIES WORKING TOGETHER, AND IN CONJUNCTION WITH THE PRIVATE SECTOR. IN THE SMALL, WEST TEXAS TOWN OF PETERSBURG (POPULATION 1300) DUE TO UPS AND DOWNS OF COTTON CROPS, MANY GINS HAVE GONE OUT OF BUSINESS. IN PETERSBURG, THE CITY MANAGER, THE SOUTH PLAINS ASSOCIATION OF GOVERNMENTS, THE AMERICAN BANK OF NEARBY WOLFORTH, THE HALE COUNTY COMMISSIONERS COURT, THE U.S. ECONOMIC DEVELOPMENT

ADMINISTRATION AND THE U.S. FARMERS HOME ADMINISTRATION ALL MADE IT POSSIBLE TO CONVERT THE GIN INTO A SUNFLOWER SEED FACILITY FOR CLEANING, BAGGING AND SHIPPING. A TOTAL PACKAGE OF \$1,248,000 PROVIDED A SEASONAL LINE OF CREDIT AND A LOAN FOR LAND, BUILDING, MACHINERY AND EQUIPMENT. AN IMPORTANT PROPERTY WENT BACK ON THE TAX ROLLS; 23 FULL-TIME JOBS WERE CREATED IN THIS SMALL RURAL COMMUNITY; THE SURROUNDING AREA FURTHER STABILIZED WITH AN ADDITIONAL AGRICULTURAL MARKET FOR LOCAL FARMERS; AND, FINALLY, AN EXPORT MARKET TO SPAIN, MEXICO, TURKEY, TAIWAN AND ITALY WAS CREATED.

AT THE BEGINNING, I STATED MY RURAL BACKGROUND AND BIAS WHICH IS BY WAY OF STATING MY PERSONAL AND FAMILY HISTORY. ON THE CAREER AND PROFESSIONAL SIDE, MY COMMITMENTS ARE JUST AS STRONG. I AM CURRENTLY SERVING AS AN OFFICER ON THE TEXAS STATE RURAL DEVELOPMENT COUNCIL AND A VOTING MEMBER OF THE FOOD AND AGRICULTURE COMMITTEE (FAC). I MENTION THIS ONLY TO INDICATE THAT RURAL DEVELOPMENT DOES NOT HAPPEN WITHOUT THE INTERPLAY OF AGENCIES AND THE PERSONAL COMMITMENT AND INVOLVEMENT OF FEDERAL, STATE AND LOCAL INDIVIDUALS. ONLY BY WORKING TOGETHER WILL THE NEEDED WORK GET DONE.

WHILE THIS IS NOT AN EXHAUSTIVE LIST, I BELIEVE IT INDICATES THE COMMITMENT AND INTENT OF THIS REGION TO HAVE A VIABLE RURAL DEVELOPMENT OUTREACH PROGRAM.

AS TO WHAT CAN BE DONE FURTHER IN LOUISIANA, I BELIEVE THERE IS A UNIQUE OPPORTUNITY TO DESIGN A RURAL DEVELOPMENT STUDY FOR LOUISIANA WHETHER STATEWIDE OR, INSTEAD, LIMITED TO A DESIGNATED LOCATION SUCH AS ALEXANDRIA AND THE IMMEDIATE SURROUNDING AREA. IT WOULD REQUIRE THAT A CONSORTIUM OF SBI SCHOOLS BE INVOLVED, IN PART, WITH APPLICATION FOR GRANTS FROM THE DEPARTMENT OF DEFENSE (DOD) TO EVALUATE THE RAMIFICATIONS OF DEFENSE DOWNSIZING AND, IN PART, WITH COMMUNITY ASSESSMENTS AS KEY ELEMENTS OF ECONOMIC DEVELOPMENT STUDIES. I HAVE ALREADY TALKED TO THE FORMER PRESIDENT OF THE SMALL BUSINESS INSTITUTE DIRECTORS ASSOCIATION (SBIDA), MS. GWEN FONTENOT, ABOUT APPLYING FOR THE DOD GRANTS. THAT PROCESS IS MOST LIKELY A LONGER-TERM PROJECT, WHEN COMPARED TO WHAT WE CAN DO WITH FY 94 FUNDING FOR THE 11 LOUISIANA SBI SCHOOLS (LISTING ATTACHED). THE LATTER IS WHAT I WOULD SUGGEST WE PURSUE NOW. VERY SIMPLY, EACH SCHOOL WOULD RECEIVED AN ALLOTMENT OF CASES INTENDED FOR ONE-ON-ONE ASSISTANCE TO A SMALL BUSINESS. SOME OF THOSE CASES COULD BE USED FOR RURAL ECONOMIC DEVELOPMENT PURPOSES. WHAT WOULD BE REQUIRED IS FOR THE DISTRICT OFFICE TO CALL A MEETING OF THE SBI DIRECTORS AND REACH AN AGREEMENT ON WHICH SCHOOL WOULD BE DESIGNATED TO DESIGN THE STUDY, INCLUDING BREAKOUT OF ASSIGNMENTS TO OTHER SCHOOLS, TAKING INTO ACCOUNT THEIR LOCATIONS AND PROXIMITY TO THE COMMUNITIES INVOLVED. THE SCOPE OF THE STUDY, AS I MENTIONED, COULD BE ON A VERY NARROW AREA OR ENCOMPASS A BROADER GEOGRAPHY. EACH SCHOOL THEN WOULD BE AUTHORIZED TO RECEIVE PAYMENT FROM THE SBA FOR THEIR PORTION OF THE WORK. THIS WOULD BE A FIRST IN OUR REGION AND IS CERTAINLY A FEASIBLE PROJECT.

FOR ONE-ON-ONE COUNSELING WITH SMALL BUSINESSES INVOLVED IN TOURISM, LOUISIANA HAS 203 SCORE MEMBERS WHO VOLUNTEER THEIR TIME AND CAN BE REACHED THROUGH THEIR CHAPTERS THROUGHOUT THE STATE (LISTING ATTACHED).

AND, FINALLY, AS THE LEAD CENTER DIRECTOR OF THE LOUISIANA SBDC, DR. JOHN BAKER IS A STRONG ALLY AND ADVOCATE OF SMALL BUSINESS IN LOUISIANA. HE DIRECTS A STATEWIDE NETWORK OF 16 SITES (LISTING ATTACHED). NORMALLY, A SPECIAL STUDY ON TOURISM COULD BE PROPOSED AND FUNDED. LEVEL BUDGET FUNDING FOR THE SBDC THIS YEAR PRECLUDES THIS APPROACH. HOWEVER, IF THERE ARE CERTAIN WORKLOADS OUTLINED IN THE COOPERATIVE AGREEMENT FOR FY 1994 WHICH DISTRICT DIRECTOR ABBY CARTER AND DR. BAKER AGREED COULD BE DEFERRED IN FAVOR OF A SPECIAL PROJECT, THE SCOPE OF WORK COULD BE CHANGED TO REFLECT THIS WITHOUT AN INCREASE IN THE LEVEL OF FUNDING. THIS IS SOMETHING THAT CAN BE EXPLORED ON A LOCAL BASIS, AS OPPOSED TO SEEKING FURTHER AUTHORIZATION OR APPROPRIATION.

IN THE MEANTIME, THE SBDC IS AVAILABLE TO COUNSEL AND TRAIN ANY SMALL BUSINESS IN LOUISIANA WHICH, OF COURSE, INCLUDES THOSE INVOLVED IN RURAL TRAVEL AND TOURISM.

I MENTIONED AT THE BEGINNING THE FINANCIAL ACTIVITY OF SBA IN TOURISM AND TRAVEL BUSINESSES. HERE IN LOUISIANA THERE ARE SIX CERTIFIED DEVELOPMENT COMPANIES (LISTING ATTACHED) WHOSE CHARTER OF ACTIVITY CERTAINLY INCLUDES RURAL ECONOMIC DEVELOPMENT LOANS. ALTHOUGH NONE OF THEM HAVE BEEN INVOLVED IN THE TYPE OF PROJECT

SIMILAR TO THE WEST TEXAS SUNFLOWER COMPANY, THEY ALL HAVE THE FLEXIBILITY TO DO SO. THAT IS NOT TO SAY THERE HAS BEEN NO RURAL LOAN ACTIVITY IN LOUISIANA. QUITE THE CONTRARY. SINCE 1990, THE NUMBER OF LOANS IN THE RURAL AREAS HAVE MORE THAN DOUBLED, GOING FROM 41 TO 95 SO FAR THIS FISCAL YEAR.

MR. CHAIRMAN, I BELIEVE THAT THERE IS CERTAINLY NO LACK OF DEDICATION ON THE PART OF SBA AND OUR RESOURCE PARTNERS TO THE MISSION OF RURAL DEVELOPMENT. IN FACT, I BELIEVE THERE IS MUCH MORE GOING ON THAN WE REALIZE OR CAN CAPTURE AT ONE TIME. I BELIEVE OUR CHALLENGE IS TO PUSH THE COMMUNICATION AND EXCHANGE OF INFORMATION TO ALLOW THE COMMUNITY LEADERS TO BE MORE AWARE, THAN PERHAPS THEY ARE, OF WHAT OTHERS ARE DOING. THIS WILL ALLOW THEM TO FIND AND PICK THE PROJECTS THAT ARE FITTED TO THEIR COMMUNITIES, RATHER THAN BELIEVING THEY ARE ALONE OR THAT THERE IS NO EXPERIENCE THEY CAN DRAW ON.

THANK YOU AGAIN FOR THE INVITATION TO THIS HEARING AND I ASSURE YOU WE ARE READY TO HELP IN ANY WAY WE CAN.

ATTACHMENTS SECTION:

- o SBI SCHOOLS LISTING
- o SCORE CHAPTERS LISTING
- o SBDC SUBCENTERS LISTING
- o CERTIFIED DEVELOPMENT COMPANIES LISTING

LOUISIANA SMALL BUSINESS INSTITUTES

College of Business Administration Dr. Charlie D'Agaostino
Louisiana State Univ/Baton Rouge 504/384-5555
College of Business Administration
Baton Rouge, LA 70803

Louisiana State Univ/Shreveport Charlotta Nordyke
College of Business Administration 318/797-5144
8515 Youree Drive
Shreveport, LA 71105

Louisiana Tech University Mr. Art Gilbert
College of Business 318/257-3537
Box 10318 Tech Station
Ruston, LA 71272

Loyola University Dr. Ronald Schroeder
Dept. Management & Marketing
P.O. Box 78 504/865-2788
New Orleans, LA 70118

McNeese State University Paul Arnold
Dept. Management & Marketing 318/475-5529
P.O. Box 90508
Lake Charles, LA 70601

Northeast Louisiana University Dr. Paul Dunn
Management & Marketing 318/342-1224
College of Business Administration
ADM 2-104
Monroe, LA 71209

Northwestern State University Mary Lynn Wilkerson
College of Business Administration 318/357-5161
Natchitoches, LA 71457

Southeastern Louisiana University Dr. Joseph Miller
Management & Marketing 504/549-3831
College of Business Administration
P.O. Box 522-Univ Station
Hammond, LA 70401

University of New Orleans William P. Galle, Jr.
College of Business Administration 504/286-6481
Lake Front Campus
New Orleans, LA 70148

The University of SW LA Dr. Robert Franz
Marketing Department 318/231-6348
College of Business Administration
P.O. Box 4-3490 WSL Station
Lafayette, LA 70504

Xavier University
Dept of Management & Marketing
7325 Palmetto
New Orleans, LA 70125

Dr. Charles Chekwa
504/483-7675

LOUISIANA CHAPTERS
SERVICE CORPS OF RETIRED EXECUTIVES (SCORE)

DISTRICT MANAGER

Harvey Broussard, D/Mgr.	Chamber of Commerce 804 East St. Mary's Blvd. Lafayette, LA 70505 318/233-2705
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SCORE CHAIRPERSON
CHAPTER # & LOCATION

Art Landry	Chp 141	Baton Rouge Chamber of Commerce 564 Laurel Street Baton Rouge, LA 70821 504/275-2119
Satellite of Baton Rouge Hammond SCORE Chapter Donald James		Hammond Chamber of Commerce P.O. Box 1458 Hammond, LA 70404 504/345-4457
B. J. Landry	Chp 302	Lafayette Chamber of Commerce 804 East St. Mary Blvd. Lafayette, LA 70505 Office: 318/233-2705
Charles Thomas	213	Lake Charles Chamber of Commerce 900 N. Lakeshore Drive Lake Charles, LA 70601 318/433-3632
Marion Lake	044	Small Business Administration 1661 Canal Street, Suite 2000 New Orleans, LA 70112 Office: 504/589-2354
Robert Mogg	Chp.279	Shreveport Chamber of Commerce 400 Edwards Street Shreveport, LA 71101 Office: 318/226-8521
Slidell SCORE Desk		Slidell Chamber of Commerce 118 West Hall Slidell, LA 70460 Office: 504/643-5678
Alexandria SCORE Desk Julius McLaurin		Chamber of Commerce 802 3rd Street Alexandria, LA 71301 318/442-6671

LOUISIANA SMALL BUSINESS DEVELOPMENT CENTERS

LOUISIANASTATE DIRECTOR & PHONE #

Louisiana Small Business Development Center State Director Northeast Louisiana University Monroe, LA 71209-6435 (Ouachita Parish)	Dr. John Baker, Director 318/342-5506 FAX #318/342-5510 Dr. Lesa Lawrence, Assoc State Director
International Trade Center (ITC) SBDC 368 Business Administration University of New Orleans Lakefront Campus New Orleans, LA 70148 (Orleans Parish)	Ruperto Chavarri, Director 504/286-6978
Capital SBDC(Southern University) SBDC 9613 Interline Avenue Baton Rouge, LA 70809 (East Baton Rouge Parish)	Greg Spann, Director 504/922-0998
LSU-Shreveport Small Business Development Center College of Business Administration University Drive Shreveport, LA 71115 (Caddo Parish)	James Hicks Director 318/797-5144
Louisiana Tech University Small Business Development Center Box 10318 Tech Station Ruston, LA 71271-0046 (Lincoln Parish)	Art Gilbert, Director 318/257-3537
Loyola University Small Business Development Center College of Business Administration Box 134 New Orleans, LA 70118 (Orleans Parish)	Dr. Ronald Schroeder Director 504/865-3474
McNeese State University Small Business Development Center College of Business Administration Lake Charles, LA 70609 (Calcasieu Parish)	Paul Arnold, Director 318/475-5529

Nicholls State University Wes Hull
 Small Business Development Center 504/448-4242
 College of Business Administration
 P.O. Box 2015
 Thibodaux, LA 70310 (Lafourche Parish)

Northeast Louisiana University Dr. Paul Dunn, Director
 Small Business Development Center 318/342-1224
 College of Business Administration
 Monroe, LA 71209
 (Ouachita Parish)

Northwestern State University Mary Lynn Wilkerson
 Small Business Development Center Director
 College of Business Administration 318/357-5611
 Natchitoches, LA 71497
 (Natchitoches Parish)

Southeastern Louisiana University Danny Monistere
 Small Business Development Center Director
 College of Business Administration 504/549-3831
 Box 522, SLU Station
 Hammond, LA 70402
 (Tangipahoa Parish)

Southern University Mr. Jon Johnson
 Small Business Development Center Director 504/286-5308
 College of Business Administration
 New Orleans, LA 70126
 (Orleans Parish)

University of New Orleans Dr. Ivan J. Miestchovich
 Small Business Development Center Director
 College of Business Administration 504/286-6978
 Lakefront Campus
 New Orleans, LA 70148
 (Orleans Parish)

University of Southwestern Louisiana Mr. Dan Lavergne, Director
 Small Business Development Center 318/262-5344
 College of Business Administration
 P.O. Box 43732
 Lafayette, LA 70504
 (Lafayette Parish)

SBDC Satellite Ms. Kathy Hunter
 England Air Force Base, Bldg 1901, Coordinator
 Suite 205, P.O. Box 13587 318/484-2123
 Alexander, LA 71315-3587

Louisiana Electronic Assistance Program Contact:
 College of Business Administration Dr. Jerry Wall
 Northeast Louisiana University 318/342-1219
 Monroe, LA 71209

LOUISIANA'S SBA CERTIFIED DEVELOPMENT COMPANIES
(as of 9/30/92)

Ark-La-Tex Investment & Development Corporation

P.O. Box 37005

Shreveport, LA 71133

Parishes: Bienville, Bossier, Caddo, Claiborne, DeSoto, Lincoln,
Natchitoches, Red River, Sabine and Webster

Certified: June, 1983

Contact: M.D. LeCompte 318-226-7557

SBA 503/504 Loan Approvals: FY 1992 = 0
Since Inception YTD = 11 @ \$4,166,000

JEDCO Development Corporation

3330 N. Causeway Blvd., Suite 430

Jefferson, LA 70123

Parish: Jefferson

Certified: August, 1990

Contact: Carol Ward 504-830-4860

SBA 503/504 Loan Approvals: FY 1992 = 4 @ \$1,239,000
Since Inception total YTD 10 @ \$2,302,000

Kisatchie-Delta Regional Planning and Development District, Inc.

5212 Rue Verdun Street

Alexandria, LA 71315-2248

Parishes: Avoyelles, Catahoula, Concordia, Grant, La Salle
Rapides, Vernon and Winn

Certified: October, 1982

Contact: Lawrence Jeansonne 318-487-5454

SBA 503/504 Loan Approvals: FY 1992 = 1 @ \$497,000
Since Inception total YTD 8 @ \$2,347,000

Louisiana Capitol Certified Development Company, Inc.

2014 W. Pinhook Rd., #100

Lafayette, LA 70502

Parishes: Lafayette

Certified: December, 1983

Contact: Al Hodge 318-234-2977

SBA 503/504 Loan Approvals: FY 1992 = 9 @ \$1,423,000
Since Inception total YTD 30 @ \$6,458,000

New Orleans Regional Business Development Loan Corporation

301 Camp Street - Suite 210

New Orleans, LA 70130

Parishes: Assumption, Jefferson, Lafourche, Orleans, Plaquemines,
St. Bernard, St. Charles, St. James, St. John the
Baptist, St. Tammany, Tangipahoa, Terrebonne & Washington

Certified: January, 1981

Contact: Kevin E. Williams 504-524-6172

SBA 503/504 Loan Approvals: FY 1992 = 3 @ \$1,956,000
Since Inception total YTD 26 @ \$6,789,000

Northeast Louisiana Industries, Inc.

Route 3, Box 182

Monroe, LA 71203

Parishes: Ouachita, Union, Morehouse, Richland, Caldwell, Jackson,
Franklin, Tensas, East Carroll, West Carroll & Madison

Certified: February, 1983

Contact: Gerald E. McDonald 318-345-0878

SBA 503/504 Loan Approvals: FY 1992 = 5 @ \$11,631,000
Since Inception total YTD 13 @ \$4,237,000

LA 503/504 Loan Approvals: FY 1992 = 22 @ \$6,746,000
Since Inception total YTD 98 @ \$26,299,000

Tourism and Economic Opportunities
In Rural Areas
July 19, 1993

Tourism for Alexandria and Central Louisiana is becoming, and in certain respects is, big business and is an integral part of our overall economic development effort. The City of Alexandria, as the largest populated municipality in Central Louisiana, serves as the hub for many things, including retailing and tourism. We are interlocked with the region in providing a vast array of tourist possibilities.

Even the Louisiana Office of Rural Tourism Development in its evaluation report for four adjacent parishes identifies a somewhat forgotten interest for tourist, the vast number of historic homes and plantations in the area and describes the opportunity for the region to promote the area as a spiral or day trip from the Alexandria area. It further identifies Alexandria for shopping and nightlife and other areas for cultural and historical tours. Therefore, Alexandria promotes rural tourism by development of shopping and nightlife combined with the Bureau of Conventions and Visitors promotion of the overall area. As a matter of fact, in recent years, Alexandria and the area have attracted a significant increased number of bus tours showing an annual growth with the lure being exactly the identification just described.

The City of Alexandria through its Council and administration certainly recognize the importance of tourism and its economic

opportunities. Our recently completed Alexandria 2010 comprehensive development strategy is driven by the need for planning for economic development opportunities which include the promotion of tourist activities. Some of the specific strategies include making access between I-49 and MacArthur Drive attractive and convenient by creating gateways at the north and south connections, including signage, lighting, pennants and landscape improvements, and the guiding placement of new buildings. The City, at this very moment, is negotiating with the Louisiana Department of Transportation and Development for a planning grant to accomplish this strategy. Also, corridor design improvements are to be made to facilitate traffic between establishments, enhance the overall physical appearance, and adapt a more human scale.

The Alexandria 2010 Comprehensive Development Strategy also dictates that Alexandria continues support for the viability of its downtown through the establishment of economic incentives and physical improvements, including expanding tourist activity through the provision of adequate and convenient parking and the addition of an exhibition hall at the convention center, and that these assets be physically and economically linked with the riverfront in attracting new activities. Implementing this particular strategy, the City has planned and budgeted a multi-level parking facility downtown and also a 100,000 square foot exhibition center overlooking the Red River and connected with the two downtown hotels. These facilities should increase our convention and

visitors totals from an already historic high of between 85,000 and 100,000 people per year to well in excess of 100,000. It will allow the area to capture, not only more and larger state type conventions and meetings, but also multi-state and small national conventions and allow them to exhibit large products that are denied by our present facilities.

The City government itself is heavily involved in supporting tourist attractions including monetary and other support for our nationally accredited museum, our River Oaks Square, which is the home of local artists where they do their work in various studios provided, our City Park Players, the organization which provides our region with fine theatrical plays, the first African-American museum in the State of Louisiana, the Arna Bontemps Museum, which was the actual boyhood home of one of our nations literary giants, the Rapides Parish Symphony Orchestra, our main festival, Cenlabration which provides music and fun for thousands of families every year..

We have worked closely with the local historical society and have actually helped sponsor some of the many historical markers in Alexandria and Pineville which we are very proud of and serve as quick history lessons for not only our tourist, but also our school children and citizens in general. We are working with the Red River Waterway Commission to restore and significantly mark our Civil War forts across the Red River from Alexandria.

The City operates and maintains the Levee park in downtown Alexandria, a beautiful River Park with a 2200 seat amphitheater.

The most significant story in our entire region and modern times is the closure of England Air Force Base and its planned re-use. The community working together and not giving up has made the re-use of that facility already a success story which is becoming well known beyond our borders. This economic development activity is not only bringing and will bring more jobs for our Central Louisiana community, but with it, a promotion of tourism. Some have called the Air Heritage Park and its display of airplanes the best in the Air Force, and now through the efforts of the community once again, along with the City, we have succeeded in preserving Heritage Park at the new England Industrial Airpark and Community which will provide a fascinating stop-off point for tourists and a site for reunions of units stationed at England Air Force Base for the past 50 years.

BIOGRAPHICAL DATA

GREGORY N. MARCANTEL

Birthdata: 12-31-52

Age: 40

Marital Status: Married to Jean Rougeau Marcantel

Father of three children: Chelsea, Angelique and Noel

EDUCATIONAL BACKGROUND

Graduated from Jennings High School - 1970 - Valdictorian

Graduated from University of Southwestern Louisiana - 1974 - Cum laude

B.S. Economics

Received Certified Public Accountant Certificate - 1991

Served the City of Jennings as Director of Parks and Recreation 1976-1977

Private Business 1978-1988

Served as Jennings City Clerk from 8-88 to 6-89

Elected Mayor of Jennings and took office 7-1-89

Jennings was selected as one of the six rural tourism success stories in the State of Louisiana by the Louisiana Sea Grant Program and the Department of Culture Recreation and Tourism.

Jennings was selected as one of three cities from throughout the nation to present a program at the National Rural Tourism Conference in Kansas City, MO. in April, 1992.

Mayor Marcantel has spoken in Kansas City, at the Governor's Conference on Tourism in Springfield, Illinois, as well as the Louisiana Tourism Summit and numerous other economic development conferences around the state.

JENNINGS, LOUISIANA

POPULATION

	1990	1980	1970	1960
City:	11,305	12,401	11,783	11,887
Parish:	30,553	32,168	29,554	29,825

GOVERNMENT

TYPE OF MUNICIPAL GOVERNMENT:

Mayor/Council

Zoning Regulations: Yes (X) No ()

Planning Commission: Yes (X) No ()

Fire Insurance Rating: 3

UTILITIES AND SERVICES

Electricity: Gulf States Utilities

Natural Gas: Entex

Water:

Utility: City Source: Deep Well

Capacity of Plant: 2MM GPD

Average Daily Consumption: 1.318MM GPD

Sewer:

Sanitary: 100%

Storm: 33%

Treatment Plant (type): Chemical Treated

Method of Garbage Disposal: Landfill

WATERWAYS:

Nearest Navigable Waterway: Mermentau River

(Distance): 4 Miles Depth: 35 feet

Nearest Publio Barge Dock: Port of Mermentau

(Distance): 4 Miles Depth: 35 feet

Nearest Deep Water Port: Port of Lake Charles

(Distance): 40 Miles Depth: 40 feet

TRANSPORTATION

HIGHWAYS SERVING AREA:

Federal: Hwy. 90 State: Hwys. 26 & 97

Interstate: I-10

Nearest Interstate Exchange: 0.0 miles

RAILROADS:

Companies: Southern pacific

AIR SERVICE:

Nearest airport: Jennings Municipal

(Distance): Local Runway: 5,000'

Nearest Commercial Service: Lafayette or

Lake Charles

(Distance): 45 miles

Number of Airlines Serving Point: 3

FINANCIAL:

Sales Tax Collections: \$956,000

General Fund Expenditures: \$2,460,123

Hotel/Motel Tax Receipts: \$29,000

Total Bonded Indebtedness: \$70,000

Total City Budget: \$5,326,787

Total Full-Time Employees: 108

TAXES

PROPERTY:

Avg. Parish Assessment/\$1000: 65.61

Avg. City Assessment/\$1000: 18.51

RETAIL SALES:

City: 1% Parish: 2% State: 4%

The City of Jennings is a rural community of 11,500 population located in Southwestern Louisiana with an economic base of agriculture and oil. In the mid-1980's when the oil industry collapsed in the United States, the City of Jennings and all of Louisiana suffered a virtual economic depression. Unemployment rose to over 25%, real estate lost up to 50% of its value and the state witnessed an out-migration of its population of 10%. Jennings Main Street saw many businesses close and twenty-four buildings stood empty.

The City has turned to tourism as one part of an economic development program aimed at restoring the economic health of the community. The downtown historic district is the focal point of the effort but projects have been implemented throughout the city.

A city funded museum, the W.H. Tupper General Merchandise Museum, is the downtown anchor that draws the tourists but the Chateau Des Cocodries, the Pioneer Telephone Museum, the facade rehab program, a low interest business program and the removal of overhead utility wires all play a part in the success of the program.

Today, the number of empty buildings stands at six, sales taxes are up, the downtown business district is coming back and thousands of visitors have shared the enjoyment of the beauty of Jennings.

The city has been identified by the State of Louisiana as one of six rural tourism development success stories and by the U.S. Travel and Tourism Administration as one of three success stories in the nation. Jennings' story has been featured in USA Today and in nationally syndicated newspaper stories.

JENNINGS, LOUISIANA

HOW WE DID IT

- 1) Reconstituted the tourist commission
- 2) Made funding accessible for tourist promotion
- 3) Opened tourist information with Chamber of Commerce
- 4) Opened Chateau des Cocodries to increase traffic to tourist information center
- 5) Committed to create the Tupper Store Museum to create traffic on Main Street
- 6) Chamber arranged to have USL architecture students adopt Main Street. Designed store fronts back to original look
- 7) Launched program to make business people aware of program by hosting a Chamber "Business After Hours"
- 8) Raised facade rehab donations from banks and foundation and Jennings Industrial Development Board in a privately funded rehab program
- 9) Jennings Industrial Development Board purchased building to house museum
- 10) City hired full-time staff and consultants to pull museum and main street project together
- 11) Contacted utility companies about removing overhead wiring
- 12) Worked with Jeff Davis Tourist Commission and Jeff Davis Arts Council to promote grand opening and Jennings Alive. Hired media consultant for grand opening and continuing promotion
- 13) Chamber of Commerce received FMHA funds for a low interest loan program
- 14) City installed brick-like sidewalks and gas lighting
- 15) City worked with the Telephone Pioneers of America to open the state's only telephone museum
- 16) Jennings Industrial Development Board purchased and renovated old Strand Theatre

WHAT IT HAS MEANT

WHAT WE CAN MEASURE

- * Number of people registering for tourist information has risen from 10-20 per month to over 2,000 in summer months, 500-800 in winter months
- * Hotel/Motel tax up over 20% in last three years
- * Number of vacant buildings on Main Street has dropped from 28 to 5 in last twenty-four months

Tupper Store:

- * 6,000+ people attended Grand Opening/Jennings Alive Celebration
- * 1,200 paid admission on September 21, 1991, Grand Opening
- * Gross receipts in first year equaled 800% of budgeted estimate
- * 14,000+ paid admissions in first twenty-two months

WHAT WE CAN'T MEASURE

COMMUNITY PRIDE

- 1) People drive down Main Street to see what's new!
- 2) Expatriate Jenningsites from around the state have seen the coverage and called or written that they are proud of their hometown.
- 3) Potential industrial and medical recruits see progress not decay
 - a) Jennings has been recommended by the Veterans Administration as the site for an outpatient clinic which will open in July, 1993.
 - b) Jennings has been selected as the site of the 1991 Cessna International Fly-In and the 1993 Cessna 195 International Fly-In.
 - c) Increased attendance at Zigler Museum and Creole Rose Manor.
- 4) Jennings was selected as one of three rural tourism success stories in the U.S. in 1992 by the U.S. Travel & Tourism Administration.

JENNINGS, LOUISIANA

WHAT WE DID

PROJECT:	COST:	FUNDING SOURCE:
Tourist Information Center	\$8,000 for repairs	City
Alligator House	\$50,000 total project \$36,000 for alligator house	1/2 City funds 1/2 BOR funds
Main Street Program	\$13,000 per year from Grant 1988-89 Grant 1989-90 Grant 1990-91 Grant 1991-92 \$6,500 1992-93 Final year	through Culture/Recreation Tourism
Purchase of building & sprinkler/alarm system	\$30,000	Jennings Industrial Development Board
Renovation to building & creation of museum, personnel, & consultants	\$90,000	City of Jennings
Parking lots on Main St.	\$10,000	City of Jennings
Annual Operating Costs	\$50,000	City of Jennings
Facade Rehab Program	\$28,500 \$100,000 \$18,000	Zigler Foundation, Jimmy Hayes Campaign, Jeff Davis Bank Main Street businesses State facade grant
Pioneer Park	\$2,000	Pioneers of America, Jennings Nursery
Grand Opening Celebration	\$5,000	Jeff Davis Tourist Commission
Removal of Utility Lines	\$200,000	South Central Bell, GSU, Entex
Pioneers of America Telephone Museum	\$20,000 \$6,000	Pioneers of America City of Jennings
Simulated Brick Sidewalks	\$35,000	City of Jennings
Gas Lighting	\$6,000	Entex, City of Jennings
Strand Theatre Renovations	\$59,000	Jennings Industrial Development Board

R E M A R K S

Before the Small Business Subcommittee on Procurement, Taxation & Tourism

July 19, 1993

By

Robert C. Wagner, Executive Director
Kisatchie-Delta Regional Planning and Development District, Inc.
Alexandria, LA

Honorable Chairman James H. Bilbray and the Honorable Richard H. Baker, I am greatly pleased to have the opportunity to discuss Rural Tourism in Central Louisiana with you this morning.

I am also pleased to observe this committee's concern and interest in rural areas, particularly in respect to the subject of tourism, with its potential for preserving and enhancing the economic viability of this portion of our nation.

As requested in your invitation, I will address the tourism development efforts of Kisatchie-Delta District since its organization 25 years ago.

This agency was organized in 1967 to respond to the rural economic development planning initiative offered by the Public Works and Economic Development Act of 1965. This legislation created the Economic Development Administration under the Department of Commerce and provided matching funds for local development efforts.

In the initial Overall Economic Development Program developed by the staff and Board of Directors of Kisatchie-Delta, tourism was recognized as an integral part of the region's economic development effort.

Kent House

Early efforts included the nomination of the Kent House here in Alexandria to the National Register of Historic Places. This designation qualified this 195 year old house, which was owned by the State of Louisiana through donation by a local preservation group, for federal financial assistance for restoration. A grant from the U. S. Department of Housing and Urban Development was then secured. With financial matching assistance from the State of Louisiana the house was restored and opened to the public in 1975. Today, Kisatchie-Delta operates Kent House under contract with the Louisiana Office of State Parks. Working with the Friends of Kent, a local support group, Kent House has become the premier tourist attraction in the Alexandria area, hosting approximately 10,000 visitors a year.

Historic Sites in the Region

For a number of years, during the 1970's and early 1980's Kisatchie-Delta secured matching federal funds through the Historic Preservation Act of 1966 in order to complete a survey of all properties and sites over 50 years of age. From this inventory came nominations to the National Register of numerous facilities throughout Central Louisiana. This designation greatly enhances the reputation and appeal of recognized properties to the typical tourist, both domestic and foreign.

There are now 130 properties in nine central Louisiana parishes on the National Register beginning with the Kent House in 1971.

Natchitoches contains a 33 block National Historic Landmark District, the only other in the state being in New Orleans. Also in the Natchitoches area are two National Historic Landmark properties.

Two central Louisiana tourism potential studies just completed recognize these historic properties and recommend historic homes, Civil War history and World War II history as key ingredients of an expanded tourism industry.

Toledo Bend Reservoir

During the early 1970's Kisatchie-Delta worked with groups in the Toledo Bend Reservoir area in an effort to secure a major resort. Although major resort developers were contacted at that time, no concrete proposals resulted. However, I am pleased to note that a new, current effort is underway and we are optimistic that the Sabine River Authority will be successful in bringing a major development to Toledo Bend.

Colonial Trails and El Camino Real

The El Camino Real is a well-established historical route developed by Spain in the 1600's between Mexico City and Natchitoches, Louisiana passing through San Antonio and across the State of Texas. The Natchez Trace is another well-known historic trail between Nashville, Tennessee and Natchez, Mississippi. The Natchez Trace, of course, is a federally operated historic trail.

Kisatchie-Delta, working through its regional tourism planning committee, secured \$50,000 in federal funding for a research effort to link these trails across Central Louisiana, a step which has the potential to develop a tourist route from Nashville, Tennessee to the Mexican border in west Texas. This research identified the most heavily traveled settlement route into Louisiana, Texas and the west, crossing the Mississippi at Natchez and traversing Central Louisiana along several different routes, but primarily linking with the El Camino Real at Natchitoches. The Louisiana Colonial Trails, defined as that network of trails across Central Louisiana originating at Natchez, Mississippi and utilized to settle Louisiana and the West between Statehood in 1812 and the Civil War in 1860, is now officially recognized by state legislation, is signed along U. S. Highway 84 and Louisiana Highway 6, and is publicized by two editions of a brochure. A proposal is now pending to establish a federally recognized historic corridor across Louisiana and Texas following these trails and offering a greatly enhanced opportunity for further development.

World's Fair

The 1984 Louisiana World's Fair offered Central Louisiana an opportunity to exploit the thousands of visitors from throughout the World visiting during this six month period. With financial assistance from the State, Kisatchie-Delta conducted an aggressive campaign to accomplish two goals: publicize the fair in Central Louisiana and, more importantly to our economy, encourage visitors traveling to and from the fair through Central Louisiana to stop and enjoy the attractions offered here. The main thrust was to encourage tour bus operators to make overnight stops in Central Louisiana while traveling to and from New Orleans. These busses originated in the midwest, including Oklahoma, Arkansas, Missouri, Kansas, and other states. This emphasis on bus tours continues to this day and our attractions across Central Louisiana benefit from this type of marketing effort.

Foreign Visitors

As I am confident this committee is aware, there is an increasing number of foreign tourists not only visiting our major destination cities such as New Orleans and San Francisco, but our rural areas, also. While we know, in a general way, that this is happening in our region, I can cite specific figures in two or three areas. At the Kent House here in Alexandria, we average two busloads of French tourists every Wednesday. These are groups of 10 to 20 persons and totaled 771 people for the six month period of January through June, 1993. Kent House had virtually no foreign visitors just four or five years ago. Also, the Natchitoches Visitors Bureau documented 345 foreign visitors just during the 60 day period of March and April, 1993. That's up from about 9 or 10 in a similar period just two years ago. The tourist reception station at Vidalia, on U. S. Highway 84 across the Mississippi River from Natchez registered 880 foreign visitors for the first six months of 1993. That number represents 5.5 percent of the total 16,029 visitors recorded during this period. By comparison, Vidalia recorded 647 foreign visitors in the first six months of 1991, representing 4.2 percent of the 15,276 total visitors recorded during that time period. At Leesville, the home of Ft. Polk located at the western edge of the region, the visitors bureau has registered 75 foreign visitors during the first six months of 1993. The annual average is about 150.

These figures, though not all-inclusive, as they only recognize those foreign visitors who signed a local register, nevertheless document the dramatic increase of foreign tourists now visiting rural areas of this country.

In reference to international markets, an area must be international visitor "friendly". Examples of this attitude include:

1. Available foreign exchange.
2. Menus, brochures, and similar material printed in the appropriate foreign language(s).
3. Front line employees in hotels, restaurants, and airports fluent in the appropriate foreign language(s).
4. Tour guides, escorts, and cassette tapes available in the appropriate foreign language(s).
5. International signs for restrooms, elevators, and similar public facilities.

This committee might consider programs which would enhance and exploit this trend. Suggestions include:

1. Continue funding the U. S. Travel and Tourism Administration to market the United States overseas, with an emphasis on rural America.
2. Encourage The U. S. Travel and Tourism Administration to continue a domestic emphasis of rural tourism. Two National Rural Tourism conferences in cooperation with the University of Missouri Cooperative Extension Service and the Tennessee Valley Authority are excellent examples of this effort.
3. Encourage funding of the Lower Mississippi Delta Development Commission's budget for tourism development in the seven states served by that agency.
4. Consider technical assistance grant funds for the purpose of promoting rural international tourism to agencies such as Kisatchie-Delta which have demonstrated an interest and ability to promote rural tourism.

5. Establishment and funding of the National Historic Preservation Research and Technology Center at Northwestern State University at Natchitoches. This proposed center will be the only one of its kind in the nation and will teach techniques of preservation and culture development. The center will have national and international significance in this field.

6. Establishment of the pending Cane River Area under the National Park Service providing an interpretive program for two unique plantations—one of a kind facilities—located in the Natchitoches area, which contains the largest concentration of Creole architecture in the United States.

7. Consideration by the National Park Service of an interpretive program at the Badin-Rogus House near Natchitoches.

8. Consideration of federal designation in the National Trails System of the historic corridor along the Louisiana Colonial Trails and El Camino Real through Louisiana and Texas to the Mexico border.

In conclusion, I again thank Mr. Bilbray and Mr. Baker for this opportunity to outline the potential for rural tourism development in Central Louisiana.

STATEMENT OF
LINDA CURTIS-SPARKS
EXECUTIVE DIRECTOR

SABINE RIVER AUTHORITY, STATE OF LOUISIANA

BEFORE THE COMMITTEE ON SMALL BUSINESS;
SUBCOMMITTEE ON PROCUREMENT, TAXATION AND TOURISM

UNITED STATES HOUSE OF REPRESENTATIVES

ALEXANDRIA, LOUISIANA

JULY 19, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am Linda Curtis-Sparks, Executive Director of the Sabine River Authority, State of Louisiana. I have held this position since September, 1989. Before becoming Executive Director, I was employed by the Sabine River Authority to work with economic development in the Sabine River Basin on Toledo Bend Reservoir.

The Sabine River Authority is a state agency responsible for the management of Toledo Bend Reservoir, a 186,000 acre reservoir in Northwest Louisiana on the Louisiana-Texas border. Our aim is to set goals to enable the lake area to reach its potential after operating for over 20 years in a somewhat status-quo position.

You will never get where you want to be until you set goals and establish a time frame to accomplish those goals. In early 1990, Sabine River Authority realized that in order to get the private development of restaurants, hotels and entertainment areas on Toledo Bend, we first had to get a large volume of tourists and retirees to the area and we had to improve the infrastructure of the lake area. Our five year plan addressed these two major issues.

The first part of our plan dealt with infrastructure. We hardsurfaced 26 major access roads leading into Toledo Bend. Several hundred miles of boat lanes are being cleared and marked with buoys, a major Florida bass stocking program has been initiated and recreation sites are being upgraded.

The second area of our plan was to increase the volume of tourists and retirees in the area. We developed additional promotional activities and advertisement; educated our local businesses about the economic value of tourism and retirement; trained their employees to be better informed and friendlier; and, formed a New Neighbor Club to welcome the retirees.

Signs of success began to show in 1991 when we recorded 14 long weekend periods of full occupancy on the lake. This was the first such occurrence since the mid-1970's. Figures for 1992 are even better. Other indicators of this success are:

- a. Hotel/Motel occupancy tax increased 35% in 1991 over 1990 and has increased from \$29,900 in 1989 to \$49,300 in 1992.
- b. Sales tax in the City of Many (Parish seat) increased 11.2% in 1991 over 1989. There was no new business or industry to attribute this increase to except tourism. In a three year period the city has shown a 22% increase.
- c. Requests for information through the Toledo Bend Tourist Information Center increased from 524 during the period between July, 1990 to June, 1991, to over 5,000 between July, 1991 to June, 1992.
- d. Real estate transactions on lake properties showed a 25% increase in 1991 over 1990. January-April of 1992 showed a 25% increase over January-April of 1991. Major subdivisions have been developed and sold out during this time. Three years ago, the financial institutions were heavy with repossessed property and now they have none.
- e. The major retail businesses in the lake area experienced a 12%-20% increase from January to April, 1992 over January to April, 1991.
- f. Major retailers in the area attribute from 35-50% of their retail sales to tourism and retirement.

A major factor influencing the unusual rapid rate of success was and still is the cooperation of many community and civic organizations working together on large and small projects. For the first time in the history of this area, everyone is working toward a common goal and the enhancement of the area as one. No one cares who gets the credit - just that the project be successful. We have also received great cooperation from other state and federal agencies. It seems that once they realize that an area is working together, progressing and willing to do something to help themselves, many agencies are much more willing to assist in the efforts.

In 1991, the Board of Commissioners of Sabine River Authority hired Mr. John Whittington, a consultant who had previously worked on Silver Dollar City in Branson, Missouri, and other projects such as the Busch Gardens, Dollywood and Knotts Berry Farm. The Board asked Mr. Whittington to provide recommendations for economic growth for the Toledo Bend Area.

Mr. Whittington toured the area and submitted eleven points that he felt would accomplish that purpose. Those eleven points were:

1. Creation of an Area-wide Tourism Destination Committee
2. Area-wide Planning and Zoning
3. Waste Management
4. Quality Lodging Accommodations
5. Community Center/Convention Facility
6. Establish Tree-free Water Sports Zone
7. Toledo Bend Access Road Program
8. Development of SRA Park Sites
9. Quality Resort Complex
10. Themed Entertainment Attraction
11. Hospitality Training and Education Program

Most of these recommendations have been started and some are well on their way to completion.

The Sabine River Authority Board of Commissioners approved the building of a Marina Complex/Convention Center/Golf Course. Land appraisals and acquisition are almost complete at this time. Funding for this project will include a combination of self-generated funds, Capitol Outlay funds from the State and eventually private investment for future hotel/motel construction.

The Golf Course will be planted in the Spring of 1994 and it is expected that the course will be playable in the fall or winter of 1994. A completion date of September, 1994 is expected for the Marina and Conference Center also.

I believe that the future of this area has never looked brighter. There is a cooperative spirit not only in Sabine Parish, but the other parishes adjacent to the reservoir and dam. Toledo Bend Country will become the place it was always intended to be and can greatly affect the economic conditions of Northwest Louisiana.

Although we feel we are progressing there are still many needs that should be addressed. Some of these are as follows:

1. Community Develop Block Grants or Federal funding for infrastructure in rural areas for projects such as sewerage facilities and access roads. These funds are available to many municipalities but not rural areas.

2. Federal secured loans for development and expansion of small tourism related businesses.

3. A one stop source of information for community developers concerning federal programs that are available.

Thank you for the invitation to address this group and allow me the opportunity to talk about the economic climate and future development of a section of the Northwest corner of Louisiana. We sincerely appreciate the Committee coming to Alexandria for this hearing. If we can be of continued service please call on us.

WRITTEN STATEMENT
OF
C. A. "BUCK" VANDERSTEEN
EXECUTIVE DIRECTOR
LOUISIANA FORESTRY ASSOCIATION
TO THE
UNITED STATES HOUSE OF REPRESENTATIVES
SMALL BUSINESS SUBCOMMITTEE ON
PROCUREMENT, TAXATION, AND TOURISM
FIELD HEARING IN ALEXANDRIA
LOUISIANA
JULY 19, 1993

My name is Charles A. 'Buck' Vandersteen and I am Executive Director of the Louisiana Forestry Association. The Louisiana Forestry Association is a private, non-profit organization representing forestry interests across the state. Our purposes include, promoting wise use of our forest resources and building upon the contributions forestry makes to our culture and economies of our local communities and state.

The Louisiana Forestry Association has been involved in a very exciting rural tourism project of rural tourism based on forest history and culture emanating from Central Louisiana. We have been joined in this effort by the U.S. Forest Service, the Louisiana Department of Agriculture and Forestry, the Louisiana Cooperative Extension Service, the Louisiana Society of American Foresters, and the Louisiana Forestry Foundation. This effort has led to the creation of the Southern Forest Heritage Museum and Research Center, Inc.

The focus of our attention is the rural community of McNary, Louisiana, 20 miles southwest of Alexandria, and the Crowell Lumber Industries.

Crowell Lumber Industries was founded in 1892 at the beginning of the lumber boom in Central Louisiana, but continues today due to careful management and conservation of resources. The 1935 ABANDONED MILLS REPORT, compiled by the Kisatchie National Forest staff states, "The abandoned mills in Central Louisiana have affected materially the social and economic welfare of the great number of families who have from sheer necessity been compelled to seek other means of a livelihood. It is very hard for these people to realize the old place of employment and the happiness is only a part of the past." The development of the Crowell Long Leaf Mill site would let those memories come alive again for a new generation and keep the history of the land, forest, and people from fading and becoming forever lost.

THE SOUTHERN FOREST HERITAGE MUSEUM AND
RESEARCH CENTER, INC. PROJECT DETAILS:

DESCRIPTION OF AREA

The community of McNary is found within the pine forests of Central Louisiana nestled against the Evangeline District of the Kisatchie National Forest, USDA Forest Service. Twenty miles to the North, on improved state highway U.S. 165, is the nearest large city of Alexandria-Pineville, the crossroads of all major highways connecting north and south, east and west Louisiana and points beyond. Central Louisiana is the headquarters of the U.S. Forest Service, Kisatchie National Forest. The Alexandria-Pineville area has regional air service, shopping centers, and facilities catering to the tourism industry. The Forestry Museum Project at the Crowell Lumber site is at the northern most part of the Village of McNary. The site is easily accessible by major thoroughfares such as U.S. 165 and the newly opened section of U.S. I-49. It is approximately a 45-minute comfortable drive from Alexandria-Pineville to the proposed museum site.

Crowell Lumber Industries was founded in 1892, at the beginning of the "Golden Age" of southern forest lumbering (1890-1930). Although the family owned and operated several sawmill sites both north and south of McNary as well as their own industrial railroad, the Long Leaf site is the only remaining location which still has historic structures intact and is an excellent example of that economy that made Alexandria the center of the Louisiana lumber industry with over seventy sawmills within forty miles.

The Louisiana Forestry Association formed a Museum Committee in 1991 to determine the feasibility of accepting a large donation of land, structures, and machinery from the Crowell family and develop it into a museum complex. A comprehensive Master Plan was developed detailing the steps necessary to complete such a project. The site was selected for inclusion in the HISTORIC AMERICAN ENGINEERING RECORD and detailed architectural drawings of the historic structures have been completed by a team under the direction of Dr. Dan Branch of Southwest Louisiana University in Lafayette. The site was entered in February of this year to the NATIONAL REGISTER OF HISTORIC PLACES.

PROBLEMS, NEEDS AND OPPORTUNITIES

The attached report (Exhibit A) from the Kisatchie National Forest staff clearly defines the problem. The reduction in timber output is explained in terms of the Southern Pine Beetle epidemic, the decrease in available acreage to protect the Red-Cockaded Woodpecker, the increase in streamside acreage which adversely affect timber output, and the more restrictive standards assigned to the Catahoula and the Red Dirt National Wildlife Management Preserves.

As a result of the more restrictive standards and guidelines mentioned, a reduction of at least 40% in revenues and receipts is projected by the National Forest staff. According to the Forest Service report, about 3 million dollars

Page. 2.

annually has been returned to local governments over the past few years. Approximately 70% of the McNary area residents are already classified as low income to poverty level households. A pulp wood yard, the only business generating outside income, was closed two years ago due to lack of forest products for shipping. Obviously, the total economic impact of the Forest program is very important to this local economy. A new source of income must be found and developed to compensate for this significant reduction.

Dollars derived from tourism have been shown to significantly increase local income, both in amounts spent by the visiting public and the increased employment opportunities for local inhabitants. The proposed development of the Crowell Lumber Industries sawmill and railroad site at Long Leaf provides a tourist attraction for the depressed Rapides Parish area and presents a unique opportunity to revive the local economy. Although few tourism dollars will be spent during the first two phases of site development, local employment will substantially increase due to site cleanup, building stabilization and restoration, other construction activities, machine shop repair, and inventory procedures.

When the site is opened to the public in Phase Three, local employment will again increase in a variety of areas such as office development, sawmill operations, railroad activities, visitor services, maintenance, and continuing construction.

Historic sites with operating machinery, transportation activities, historic buildings, and costumed interpreters have long been popular with the American traveling public (ie. Colonial Williamsburg, Old Sturbridge Village, Mystic Seaport, Conner Prairie, and Georgia Agrirama). A survey of existing museums with historic sawmills and/or working railroads revealed very few such sites in the United States and none in the southeast. The Long Leaf site is unique in this respect and the probability for high visitation is greatly increased by its location in the south and proximity to a major interstate highway. Alexandria is the nearest large city, approximately 20 miles distant with a population of 50,000 (metropolitan area is 75,000). In 1991, over 20,000 people visited Alexandria, either attending conventions or touring the area. The Rapides Parish Visitors and Convention Bureau estimates that \$21.7 million was spent by these visitors during the year, with an indirect impact of \$86.6 million on the local economy. Although many of those visitors were attending conventions and spent more per capita (\$100 daily) than the average visitor (\$25 daily), statistics from bus tour participants indicate these visitors spend \$75 per capita daily.

The Forestry Museum can reasonably expect a visitation of at least 20,000 during the first year it is open to the public (Phase Three). The Southern Forest World Museum in Wycross, Georgia, is a very small facility and still averages over 12,000 visitors per year. The Georgia Agrirama, a 19th Century living history museum, in Tifton, Georgia, has a yearly attendance of 70,000. Tifton has a population of 16,000 (36,000 total including neighboring communities) and is located on I-75, 35 minutes from Albany and one hour from Macon. The site has numerous historic Buildings and several reconstructions. The Georgia State

Page 3.

Tourism Bureau calculates the 1990 tourism dollar spent in the Tifton area at \$53 million. This is a comparable site to the projected Long Leaf facility as it has a museum sawmill and other structures. However, it does not have a working railroad which is a proven tourist attraction. In terms of long-range planning, the Collier Memorial Park can be used as a model. Located in Chiloquin, Oregon, this site averages 300,000 visitors annually. Situated on I-95, 30 miles from Klamath, Falls which has a population of 17,000 in a county of 57,000, this site does not have any working machinery or an operating railroad. It does have numerous historic buildings and charges no admission fee. The Oregon State Tourism Bureau reports over \$39 million spent by tourists in Klamath County in 1989. This translates in an economic impact of over \$76 million. Tourism is the largest single employer in the county, employing 780 people. Given these statistics, it is not unreasonable to expect a significant positive impact on the local and regional economy with the development of a major tourist site. Although this level of economic impact cannot be expected until the site is open to the public, an important increase in full and part time employment is anticipated immediately and will help sustain the local economy until tourism does become a major factor.

GOALS AND OBJECTIVES

The goal of the Louisiana Forestry Museum shall be to educate the general public about the importance of the forests of Louisiana specifically and the great forests of the southeastern United States generally and all the products derived from that priceless resource. The Crowell lumber mill complex and an interpretive center shall be the primary means of making this information available to the public. Secondary goals shall be the exhibition of the industrial railroad, the acquisition and preservation of artifacts and information which increase the desired body of knowledge and the subsequent scientific and academic study.

The museum will also significantly increase tourist revenue in the Rapides Parish area to compensate for the loss of forest revenues and to preserve the Crowell Lumber Company sawmill and logging railroad site at Long Leaf.

In 1991, the Louisiana Forestry Association contracted with Southwest Museum Services of Houston to develop a comprehensive Master Plan for the preservation and development of the Crowell Lumber Company site at Long Leaf, Louisiana. The Crowell family had already indicated a willingness to donate the land, structures, and machinery on the property to a non-profit organization for development as an educational historic site. The Forestry Museum feels that the development of the Long Leaf site would let memories come alive again for a new generation and keep the history of the land, forest, and people from fading and becoming forever lost.

To these individuals and families in the Rapides Parish area, this goal is a worthy one. In addition to the expected financial gains, the satisfaction of having their way of life preserved for generations to come is gratifying and a confirmation of the value of their accomplishments to the nation as a whole. Crowell Lumber

Page 4.

Industries was founded in 1892 and continues today under family ownership. Although they owned and operated several area sawmill sites in the past, only the Long Leaf site remains today. The company ceased milling operations in 1969, but left this site virtually untouched. The sawmill, planer mill, dry kilns, maintenance shops, and railroad engines are still in place. Even though repair and restoration are required, the site is unparalleled in its diversity and interpretive possibilities.

Thank you.

EXHIBIT A

The Final Land and Resource Management Plan (FLRMP) for the Kisatchie National Forest was approved in November 1985. It was assembled and formulated using a number of assumptions and policies that were in effect at that time. However, there have been a number of change conditions and, policies since that time, some of which have had a substantial effect on the ability of the forest to meet various outputs assigned by the FLRMP. There have been four relatively major changes to occur that have impacted timber outputs.

First, at the time the FLRMP was being approved the forest was suffering through the worst Southern Pine Beetle (SPB) epidemic in history. The Kisatchie conservatively estimates that 26,300 acres of lands determined suitable for timber production in the FLRMP were reduced to unstocked or damaged stands at the beginning of the 10 year plan period. Many of these acres had been planned originally to produce annual timber outputs during the 10 year plan period.

Secondly, as a result of an administrative appeal to the FLRMP, the Catahoula and the Red Dirt National Wildlife Management Preserve consisting of 74,450 acres were assigned more restrictive standards and guidelines affecting the timber outputs of those acres. These standards and guidelines were not in effect when the Plan was prepared and approved but came into being with Amendment #1 of the FLRMP.

Thirdly, due to a decline in many of the populations of the endangered Red-Cockaded Woodpecker (RCW) throughout the Southern Region, the Regional Forester issued the "Policy on cutting within 3/4 mile of Red-Cockaded Woodpecker Colonies" on March 27, 1989 and more recently in May 1990 the "interim standards and guidelines for the Protection and Management of the RCW Habitat within 3/4 miles of Colony Sites." The RCW population on the Catahoula and Winn Ranger Districts was included in these policies. The Interim Standards and Guidelines severely restrict regeneration harvesting on approximately 94,500 acres of these two districts and is estimated to reduce annual timber outputs by 20 MMbf. In addition, the three Ranger Districts south of the Red River were brought under the Interim Standards and Guidelines through supplemental analysis in May 1991. It is anticipated this will result in an annual 13 MMbf reduction in timber outputs annually.

Lastly, when timber outputs were being computed in the FLRMP, assumptions were made on the number of acres lying in streamside management zones. These are suitable acres for timber production that have reduced timber outputs due to restrictive standards and guidelines. FLRMP validation monitoring is beginning to show that the area within these zones is considerably larger than assumed originally. This is affecting timber outputs negatively forest-wide.

The net effect of these changed conditions has significantly reduced the Kisatchie National Forest timber program, thereby affecting total revenues and receipts.

Page 2.

EXHIBIT A

Over the past few years, returns to local governments have been about 3 million dollars annually. The total economic impact of the Forest program is very important to the local economy.

A reduction of at least 40% in revenues and receipts is expected due to the changes in KNF management. This will have a negative affect on local government and local economies in and around McNary and Rapides Parish and surrounding parishes.

J VES
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Dianne M. Christopher

1406 False River Drive

Phone (504) 638-9203

New Roads, Louisiana 70760

June 16, 1993

Committee on Small Business

Subcommittee on Procurement, Taxation, and Tourism

% Hon. Richard Baker, Member of Congress

5757 Corporate Boulevard, Suite 104

Baton Rouge, Louisiana 70808

Dear Congressman Baker:

I appreciate your invitation to testify before the House Small Business Subcommittee on Business Procurement, Taxation, and Tourism.

Enclosed you will find a brief, outlining my position on tourism development in rural areas. Most of these remarks apply to the Pointe Coupee Parish area in particular, but many will hold true of the Central Louisiana area in general. I have conferred with the following people in producing this document. It does not, however, represent a consensus report.

Hon. Sylvester Muckelroy, Mayor of New Roads

Hon. John C. Bonnette, Councilman, City of New Roads

Hon. Pat Witty, Councilman, City of New Roads

Ms. Carolyn Andre, Director of Tourism, Pointe Coupee Parish

Brent Roy, Sports Editor, Pointe Coupee Banner

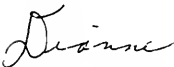
Ms. Sidney Coffee, Member, Delta Initiative

Maurice Wolcott, Member, Zachary Taylor Parkway Commission

Hon. Fox McKeithen, Louisiana Secretary of State

I am looking forward to seeing you next Friday.

Sincerely,



Dianne M. Christopher

**Tourism and Economic Development
Opportunities in Pt. Coupee Parish**

(see enclosure #1)

One hundred year old New Roads, Louisiana has long been famous as a resort community where tourists from all over southern Louisiana maintain summer and/or vacation homes. In fact, nearly 700 of the some 1000 dwellings on False River are occupied by part-time or nonresidents.

The area, home of the original "Ralph and Kacoo's", is known for its abundance of good food. Local restaurants range in scope from fine dining establishments to small cafes and grocery stores offering the best fried pigs' tails and hogs head cheese to be found. Bergeron's Pecans ships its wares worldwide.

Cultural tourists are drawn to the many splendid antebellum homes in New Roads and the surrounding area. Some of the state's oldest and loveliest plantation homes, many of which are classic examples of Louisiana Colonial and Creole Cottage architecture, can be found here. Several are on the National Register of Historic Landmarks. Lodging can be provided at one of six victorian homes which have been transformed to Bed and Breakfast establishments. Tourist information can be found at the Pointe Coupee Parish Museum, an authentically restored plantation cabin.

Antique lovers have been drawn to New Roads and its fine shops for years. A turn of the century hotel has recently been converted to an antique mall where tourists delight in finding elegant old furniture, jewelry and collectibles. Once a year, the local Cancer Society hosts an Antique Show which draws dealers and shoppers from several states.

Another annual event is the New Roads Mardi Gras when around 50,000 visitors enjoy the oldest Fat Tuesday celebration outside of New Orleans. Each Memorial Day, boats crowd the River for the Blessing of the Fleet. On the Fourth of July, the local Jaycees host a gala Rocking on the River.

The biggest tourist attraction in the area is False River. This twenty-two mile long oxbow lake is a water wonderland for boating, skiing, sailing, and some of the best fishing in the South. It is the site of several bass tournaments each year, the larger four attracting as many as three hundred fifty fishermen each.

Tourism has shown an economic impact in Pointe Coupee Parish as evidenced by the \$6,990,000 spent locally by tourists in 1990, resulting in 60 full time jobs with a \$660,000 annual payroll. \$480,000 in state tax receipts and \$120,000 in local tax receipts were realized from tourism that year.

**Tourism and Economic Development
Problems in Pt. Coupee Parish**

The major problem in developing tourism as an industry in rural areas can be described for the most part in one word, **accessibility**.

1. Accessibility by the public to the area.

You will note that the brochure, enclosure #1, is titled "Off The Beaten Path". To quote the old country expression, "You can't get there from here." The problem is aptly described in the Declaration of Policy from Act No. 288 of the 1992 Regular Session of the Louisiana Legislature: (see enclosure #2)

"The legislature finds that the planned construction of a bridge across the Mississippi River in the vicinity of the town of St. Francisville and the city of New Roads has highlighted the need for improved access highways that would connect such bridge with Interstate 49 to the northwest and with Interstate 55 and Interstate 59 to the east in order to improve prospects for economic development and tourism in the parishes that would be served by such highways.

The legislature also finds that most of the people living in the district are disadvantaged from an economic development standpoint because they are not served by the kind of highways that economic development prospects require. As a result of this lack of an adequate transportation system, unemployment is high throughout most of the district, and a large percentage of young people who grow up in the district move outside the district in order to find suitable employment.

The legislature further finds that in addition, travel by automobile or truck between the eastern portion of the district and the western portion of the district is difficult and unnecessarily time-consuming because the most direct route is by means of two lane highways that permit a relatively slow average rate of speed."

2. Accessibility to lodging and public recreational facilities.

The vast majority of tourists who enjoy the Pt. Coupee area are limited to a day trip. Six Bread and Breakfast establishments cannot begin to accommodate the water sport enthusiasts who enjoy the river on a regular basis, much less the three hundred fifty bass fishermen attending a tournament, or the fifty thousand people drawn to Mardi Gras. Travel clubs have often sought camping sights here, only to find there are none available. While this area would lend itself beautifully to mini-conventions and conferences, serving the near-by urban centers, there are no meeting rooms available. The most popular fishing lake in Louisiana has no marina, and a very limited number of rental fishing boats. There are no sail boats rentals. On a lake twenty-two miles long, there is one public fishing pier recently installed by the city of New Roads. There is no fishing equipment rental, no toilet facility. No swimming area is accessible to the public.

3. Accessibility to project funding.

Large urban areas already have direct funding through entitlement programs. They also receive the lion's share of competitive grants because rural areas do not have the staff to identify appropriate funding agencies, or to apply for and procure grants or loans.

Rural tourist development suffers especially in the grants process. While lip service is paid to tourism as an industry, hotel/motel development and recreational facilities are exempted from Community Development Block Grants.

4. Accessibility to marketing strategies.

Rural areas lack the expertise, the staff, and the budget to adequately market the tourist attractions in their areas.

5. Accessibility to insurance.

Several attempts by private industry to develop recreational facilities on False River have been stymied by the inability to secure adequate insurance at a reasonable cost.

6. Accessibility of state agencies to local concerned citizens.

Although False River is still the most popular fishing lake in Louisiana, the fish population has fallen far from its previous levels. This loss is blamed by sportsmen on two state agencies. The Department of Wildlife and Fisheries has sprayed and destroyed aquatic vegetation which provided the two main ingredients for a bass lake, cover and availability of forage fish. The Department of Transportation has persisted in drainage and dredging projects without environmental impact studies to ascertain the effect of these activities on False River. Protests by sportsmen have fallen on deaf ears. (see enclosure #3)

7. Accessibility of good government to all Louisiana citizens.

This is one problem for which you will not find a corresponding suggestion of remedy in the next section, because only local citizens of Louisiana can address this issue. It has been documented, time after time, that out-of-state and foreign industry is loathe to come to Louisiana because of our aberrant political activities. Louisiana does not have an image that is conducive to economic development. (see enclosure #4)

Tourism and Economic Development Future Strategies

1. Accessibility by the public to the area.

Fund the Zachary Taylor Parkway. (see enclosure #2) The Zachary Taylor Parkway will provide easy access to the area from all parts of the state.

Accept the report of and begin funding the Delta Initiatives. (see enclosure #5). This bipartisan study was conducted with much expenditure of time, effort, and monetary outlay. We need not reinvent the wheel. Although its sphere of influence is wider than our concern, it does address the problem of physical accessibility in our particular area in several ways:

A. A North/South thoroughfare

B. An inland travel corridor, including rail and highway

C. Three travel arteries: the Mississippi River, the River Road, and a hike and bike trail

2. Accessibility to lodging and public recreational facilities.

Recognize tourism as an industry. Remove the exemption for hotel/motel development and recreational facilities from C.D.B.G. Expand the Wallop/Breaux Funds to allow grants to local bodies to loan monies to private industry for motel/hotel and recreational facilities.

3. Accessibility to project funding.

Remove state control of federal funds. Allow local bodies to apply directly to federal agencies for funding.

Create a regional project funding service office to aid rural areas with no professional grants staff in the discovery of assistance available and in applying for assistance.

4. Accessibility to marketing strategies.

Continue redistribution of funds from Federal Transportation Department to include production of brochures and signs for Highways and Byways project.

Continue advertising funds from Louisiana State Department of Tourism.

Adopt the Delta Initiative. Market the Delta Image. Participate in a centralized marketing scheme. Promote the networking of river towns to promote cultural tourism. (see enclosure #5)

5. Accessibility to insurance.

Recognize that our current insurance programs are retarding commercial development on waterways. Research alternate proposals to encourage such development. (Florida seems to have an ideally balanced approach. Secretary of State Fox McKeithen is currently investigating their procedure.)

6. Accessibility of state agencies to local concerned citizens.

State agencies must be responsive to local voices, must acknowledge diverse priorities, and be sensitive to these differences. E.g. aesthetics vs. spawning grounds for fish; agricultural interests vs. recreational pursuits and ecological concerns.

7. Accessibility of good government to all Louisiana citizens.
What can I say? Let's clean up our act!

MARDI GRAS

The oldest, most consistent Mardi Gras celebration outside New Orleans takes place each year on Fat Tuesday on the streets of New Roads. An annual tradition since 1922, the New Roads



Mardi Gras draws some 50,000. Carnivals go on each year for an enjoyable and safe day

centering around morning and afternoon parades complete with elaborate floats and high-stepping marching bands.

PARLANGE

A 10-minute drive from New Roads features several of the state's oldest and loveliest plantation homes, many of which are classic examples of Louisiana Colonial and Creole Cottage

architecture. Most famous of them all is nationally-known Parlange on False River. Built in 1750 by the Marquis de Termant, the home remains in the possession of his descendants, the Parlange family. Open to the public, Parlange features magnificent furnishings and paintings, all of which are original to the home. This National Landmark is the most readily identified



vestige of Pointe Coupee's fabled past.

Parlange Plantation

POINTE COUPEE PARISH MUSEUM

Set on the banks of False River in the shadow of Parlange, the Pointe Coupee Museum is housed in an 18th century Creole cottage with a now-rare double-pitched roof. The museum is furnished as a house exhibit of early



Pointe Coupee Parish Museum

False River lifestyle. A visitor information center and Office of Tourism are also housed here.

On the Cover

Pointe Coupee Parish Courthouse

Looking as though it was snatched from medieval France, the towering Pointe Coupee Parish Courthouse majestically dominates New Roads' historic downtown district. Built in 1902 to replace the old 1837 courthouse, the present structure is a Romanesque Revival masterpiece and the tower clock is a true New Roads landmark.



Pointe Coupee Parish Courthouse

One of Louisiana's oldest communities is just a stone's throw away.

Off The Beaten Path

NEW ROADS

in beautiful

Pointe Coupee Parish

Pointes of Interest

1. Parlange Plantation
2. Pointe Coupee Museum
3. False River
4. Poudre Monument
5. St. Mary's
6. Pointe Coupee Courthouse
7. Echene House



Published compliments of
Cajon Electric and City of New Roads

NEW ROADS

Step off the beaten path and re-enter the world of 19th century Creole Louisiana in New Roads — where relaxation is the rule and history and tradition are bywords. Though the city celebrates the 100th anniversary of its charter in 1994, the history of New Roads goes back to 1822 when a six-black settlement was established at the terminus of a "new road" linking False River with the older Mississippi River settlement to the north. New Roads' success was guaranteed in 1847 when it was named government seat of Pointe Coupee Parish.

New Roads became a resort community at the turn of the century, as seasonal tourists from New Orleans and beyond making the pilgrimage to enjoy False River's tranquil waters. Today, though a modern community of 5,300,



St. Mary

New Roads retains much of the charm of yesterday as a peaceful, tradition-laden atmosphere pervades its narrow tree-lined streets and gracious homes. "Thanks to New Roads' wonderful Creole hospitality, visitors can treat themselves to fine rebelle cuisine, relaxed shopping, and French and Victorian architectural marvels around every corner."

ST. MARY'S CATHOLIC CHURCH

This Gothic Revival gem is a monument to the faith brought by Pointe Coupee's earliest French settlers at the dawn of the 18th century and remains a treasured Main Street landmark in New Roads.

Replacing a smaller church from 1823 village life. Replacing St. Mary's was built between 1904 and 1907 according to the designs of noted architect Theodore Brunet. St. Mary's interior treasures include magnificently carved altars, Way of the Cross oil paintings, and German stained glass windows portraying the Mysteries of the Rosary and other subjects.

FALSE RIVER

The most noted of all the oxbow lakes, False River was the main channel of the Mississippi River until about 1722 when seasonal flooding acceded in cutting a new, shorter channel to the east. During the late 1800s, small privately-owned steamboats plied these majestic waters to transport cotton, sugar, and passengers around within the 22-mile crescent. Today False River is a water wonderland for boating, skiing, sailing and some of the best fishing in the South.

POYDRAS MONUMENT

One of the most noted landmarks of all times, Julien de Lallande Poydras (1745-1844) lies buried beneath the granite monument on the campus of the school which bears his name.



False River

An immigrant French peddler, Poydras became, through his own industry, a wealthy Pointe Coupee planter and went on to make Louisiana history as a distinguished statesman, literary figure, and public education pioneer. In his will, Poydras bequeathed Pointe Coupee a substantial money (for educational) purposes and the establishment of an orphanage for indigent brides. The story of a peddling banished for Poydras was built to a variety of 100 after his death.



Poydras House

The "grandes Routes" of New Roads, the Lefevre House, 507 East Main, recall the days of the community's plantation past. This private home was built around 1840 for the Sanson family and was heavily remodeled in 1856-57 by French architect Francois Avenant. While of overall Louisiana Colonial architecture, the Lefevre House boasts a number of classic features including Greek Revival cypress paneling. The land of the Sanson-Lefevre plantation were subdivided in 1909 to form the eastern part of New Roads.

LEFEVRE HOUSE



Lefevre House

#2



THE ZACHARY TAYLOR PARKWAY

- Q** What action has the Louisiana Legislature taken with reference to the proposed Z.T. Parkway?
- A** The Louisiana Legislature passed Act 288 of 1992 (Amended 1993). This act creates the Zachary Taylor Parkway Commission as a political subdivision of the State of Louisiana and gives the Commission certain responsibilities in connection with the Z.T. Parkway.
- Q** What is the composition of the Z.T. Parkway Commission?
- A** The Commission is composed of eight members—one from each of the eight parishes through which the Z.T. Parkway passes (Asselmes, East Feliciana, Pointe Coupee, Rapides, St. Helena, Tangipahoa, Washington, and West Feliciana).
- Q** How are the Commission members selected?
- A** The President of each Police Jury (the Parish President, in the case of Tangipahoa) appoints the Commission member from that parish and the alternate member, but these appointments must be approved by the parish governing body.
- Q** Who are the Commission members and the alternates?
- A**
- | | |
|----------------|--|
| Asselmes | Mr. A. J. Roy, III (Wayne Cocco) |
| East Feliciana | Mr. Curtis Jinks (Brian Chandler) |
| Pointe Coupee | Mr. Maurice Wolcott (Mr. Pat Witty) |
| Rapides | Mr. Larry Grayson (Mr. Ronnie Rubens) |
| St. Helena | Mr. Vernon McMorris (Mr. Ike Jenkins) |
| Tangipahoa | Mr. Henry Gerthausen (Mr. Richard A. Kent) |
| Washington | Ms. Marilyn Bateman (Mr. Robert Rogan) |
| West Feliciana | Mr. Wendell Hall (Mrs. Nancy Vinco) |
- Q** What is the Zachary Taylor Parkway Association?
- A** It is a non-profit corporation which is open to membership by any individual, group or company that is interested in Z.T. Parkway.
- Q** Why is it necessary to have both the Commission and the non-profit corporation?
- A** Some funds are available for political subdivisions, but not for non-profit corporations and vice versa. So, by setting up both, we increase the likelihood that we will get all of the available funding.
- Also, there are certain restrictions that apply to the political subdivision, but not to the non-profit corporation. By setting up both, we put ourselves in position to take whatever steps need to be taken to obtain funding for the project at an early date.
- Q** Will each of the eight parishes be represented on the Board of Directors of the Association?
- A** Yes. The Association's Board of Directors will be composed of 24 members—three from each of the eight parishes in the Zachary Taylor Parkway District.
- Q** Who currently serves on the Association's Board of Directors?
- A** Gordon Burgess, Earl Cebul, Craig Coullum, William D'Aquila, Bruce Harrell, Leroy Henry, Jr., Richard Williams, Frank Lathrop, Leslie David Ligon, Houston Mages, Robert E. Mages, Elva S. McNabb, Richard Michel, Charles S. Owen, Sr., Harold Quebedeaux, M.E. "Toye" Taylor, and James Percy Webb, Jr.
- Q** What is the length of the proposed Zachary Taylor Parkway?
- A** Approximately 210 miles.



Declaration of Policy

From Act No. 288 of the 1992 Regular Session
of the Louisiana Legislature

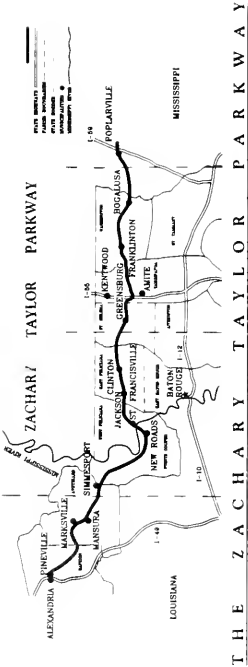
The legislature finds that the planned construction of a bridge across the Mississippi River in the vicinity of the town of St. Francisville and the city of New Roads has highlighted the need for improved access highways that would connect such bridge with Interstate 49 to the northwest and with Interstate 55 and Interstate 59 to the east in order to improve prospects for economic development and tourism in the parishes that would be served by such highways.

The legislature also finds that most of the people living in the district (the parishes of Avoyelles, E. Feliciana, Iberville, Calcasieu, St. Helena, Washington, W. Feliciana, and that portion of Tangipahoa Parish which lies north of LA Hwy 40) are disadvantaged from an economic development standpoint because they are not served by the kind of highways that economic development prospects require. As a result of this lack of an adequate transportation system, unemployment is high throughout most of the district, and a large percentage of young people who grow up in the district move outside the district in order to find suitable employment.

The legislature further finds that in addition, travel by automobile or truck between the eastern portion of the district and the western portion of the district is difficult and unnecessarily time-consuming because the most direct route is by means of two lane highways that permit a relatively slow average rate of speed.

Such conditions are detrimental to the public interest and require governmental action to correct them. Accordingly, it is the public policy of this state in the interest of public health, safety, convenience, and welfare, to promote the construction of a modern four-lane highway connecting the eastern portion of the district with the western portion of the district, to improve employment opportunities in the district by making the district more attractive to economic development prospects and by increasing tourism in the district.

The construction of such a highway would further serve the public interest by relieving some of the traffic congestion in the Baton Rouge area and by assisting with any evacuation that might become necessary in connection with the nuclear plant in the parish of West Feliciana.



- THE ZACHARY TAYLOR PARKWAY**
- Q** What kind of highway will the Zachary Taylor Parkway be?
- A** It will be a modern four-lane highway.
- Q** What route will the Zachary Taylor Parkway (ZT Parkway) follow?
- A** Generally, it will follow LA Highway 1 from LA 9 near Alexandria to New Roads and LA Highway 10 from St. Francisville to Bogalusa. Then, it will cross the Pearl River near Bogalusa and continue in an easterly direction along MS Hwy 26 to 159 near Poplarville, MS.
- Q** What Interstate Highways are intersected by the ZT Parkway?
- A** I-49 (near Alexandria), I-55 (near Amite), and I-59 (near Poplarville).
- Q** How will traffic on the ZT Parkway cross the Mississippi River?
- A** On the bridge that is to be built across the Mississippi River between New Roads and St. Francisville.
- Q** What is the source of funding for that bridge?
- A** In 1989, Louisiana voters approved the TIME program which increased the tax on gasoline by four cents in order to fund certain projects, one of which was the bridge across the Mississippi River between New Roads and St. Francisville.
- Q** What is the current status of the bridge project?
- A** A consulting firm (Howard Needles Tammen and Bergendoff) initially proposed six possible locations for the bridge. The number of possible locations has now been reduced to two, and environmental studies are expected to begin shortly on both of those possible bridge sites. The firm is doing the bridge location studies on contract with the Louisiana Department of Transportation and Development.
- Q** When will the bridge project be completed?
- A** Those who are best informed about the project predict that it will be completed in the year 1999 or the year 2000.
- Q** What events generated the proposal for the ZT Parkway?
- A** Once the Mississippi River Bridge project became a reality (in 1989), it was only natural that public officials and civic leaders throughout southeast and central Louisiana would begin thinking seriously about improving those highways that connect with the proposed bridge. This was born the proposal to four-lane and substantially upgrade Louisiana Highways 1 and 10.
- Q** Have any funds been provided for the ZT Parkway project?
- A** Federal funding (\$1.7 million) for the initial studies concerning the proposed highway was provided in the Intermodal Surface Transportation Efficiency Act of 1991. This sum is payable in six annual installments, and is provided on an 80/20 match basis.

Ph. Cuyper Bonaw, May 27, 1993



#3

It's been a little over eight years since False River has been stocked with Florida bass and the results are astonishing. For years this oxbow lake would now and then produce a fish in the six-pound category and those weighing over seven pounds were considered rare. But now when a fish in the six to seven pound range is boated, anglers only give it a little acknowledgement. It now takes an eight, nine or ten pound fish to raise the eyebrows of fishermen and this is due directly to the stocking of the Florida bass in the river.

A week or so ago the Louisiana Wildlife & Fisheries stocked False River with an additional 167,499 Florida bass fingerlings, bringing the total of Florida bass in the lake to well over 1,000,000. And with the slot limit, 15 to 19 inches only time will tell the full story as False River is headed in the right direction to becoming a full-fledge "trophy lake." And the future of False River is in the hands of the fishermen who seek out these big bass. It's completely up to the anglers if we are to experience the quality fishing that can be had through proper lake management.

Trophy lakes that have incorporated slot limits have enjoyed tremendous success. Lake Fork in Texas is a prime example of a lake that was stocked with 401,415 Florida bass in 1979 and 330,800 in 1980 and then opened to the public in September of 1980.

The Louisiana Wildlife and Fisheries Department has done the same with False River except that the daily creel limits are very liberal with anglers being able to take 8 bass per day. The 15 to 19 inch slot was imposed to protect fish in that year class, especially the Florida bass, giving them a chance to grow and reproduce thus increasing the Florida population on the lake. The ration of Florida's to natives is low and the LW&F would like to get the numbers of Florida bass to around 25 to 30% of the population.

With electro-fishing biologist can evaluate the bass populations on the lake and the latest surveys confirm that False River does have a healthy population of bass—around 28 pounds per acre. But even with the stocking of over 1,000,000 Florida's we are still short of False River's population in the '70's. Some say fishing pressure has hurt the lake and it has to some extent but we have a major problem here. And that problem is the lack of aquatic vegetation that used to encompass the lake. Back in 1984 when the first Florida bass were stocked in the lake there was grassbeds from one end to the other. These Florida fingerlings had places in which to hide and thus attain adult status. Even as far back as 1987 the river sported healthy grassbeds but in 1988 it underwent heavy spraying from protest of a few camp owners who voiced their objection to the parish police jury.

There is no doubt that the grassbeds of False River definitely contributed to the growth and populations that the river sported. In the late '70's the river had a population of over 89 pounds per acre. To fully understand just how many fish this was, Toledo Bend in its hey-day was at 30 pounds per acre and that was plenty. But through the late '80's and early '90's the river underwent a drastic ecological change with its loss of the aquatic vegetation.

I can remember before when the LW&F had sprayed the river the following year or the next year the vegetation would return. But after the '88 and '89 spraying the grassbeds were gone and with it subsequently the fishing suffered tremendously not to mention the habitat of the fish. Just how could the grassbeds be brought back was a question that could be heard around the fishermen at all the tournaments. Their main concern was not that the vegetation offered better fishing but that it provided two of the main ingredients for a bass lake, a trophy lake, to prosper—cover and availability of forage fish.

The LW&F Commission Secretary, Joe Herring, wrote to the police jury about the possibility of transporting grass from one end to another. Citing that many various groups had been very closely involved in attempts to control problematic aquatic vegetation, he failed to realize that the eradication of this vegetation would cause long term problems especially to the fisheries. At the time the police jury didn't think so but now they see that with the lack of grass the river is suffering a loss of fish population.

It's funny how things are overlooked when it pertains to wildlife and humans are concerned. Some people don't seem to care one iota about fisheries and only of themselves when it came to this situation, but everyone who does frequent the river has seen the drastic change that it has underwent. And the same holds true in other aspects of wildlife when confronted by man—wildlife will suffer to some extent or become extinct. Let's be realistic and take a good look before we do something that cannot be reversed and will cause a harmful effect on our wildlife. There is no place on this earth today for irrational thinking—it's time for those in charge to set aside "the politics" and do what mother nature has been doing since the beginning of time—take care of her family, because if we do not, no one will.

THE DELTA INITIATIVES



REALIZING THE DREAM... FULFILLING THE POTENTIAL

A Report by the
Lower Mississippi
Delta Development
Commission

Executive Summary

*"Ere long the strength of America will be in the valley
of the Mississippi."*

Daniel Webster, 1850

*"It's been such a long, hard journey—Now I don't
have to cry no more."*

Blues refrain by Muddy Waters

The "Body of the Nation", the interim report of the Lower Mississippi Delta Development Commission, told the compelling story of the people who dwell at the very heart of the nation. These are the people who thrive—or in some cases, barely survive—along its great living artery, the Mississippi River. These are the people who by virtue of place are surrounded by thousands of square miles of some of the country's richest natural resources and physical assets and who have used their sense of place to develop a cultural and historical heritage that is rich and unique. And yet, these are the people who by statistics constitute the poorest region of the United States of America; where jobs are scarce and jobs skills training almost unknown; where infant mortality rates rival those in the Third World; where dropping out of school and teenage pregnancy are commonplace; where capital for small farmers and small businesses is severely limited; where good housing and health care are unattainable for many; where industrial technology lags a decade behind and funds for research and development barely trickle to colleges and universities; where illiteracy reigns as a supreme piece of irony: the region has produced some of the best writers and the worst readers in America.

Even so, these are people who prefer hope to despair. This is a region that, given the right tools and knowledge, can help the nation as a whole strike a new balance of competitiveness in a global economy. This is a land where the right actions can spell a new day.

The interim report described in detail the social and economic problems of the Delta and listed the opportunities for change. This final report is a trumpeting call by the Delta's own people to begin the tasks that will create a new and better tomorrow for this, the body of the nation, and therefore a brighter future for the nation as a whole.

The Congressional mandate to the Delta Commission directed that a broad approach be taken toward the study of regional poverty and economic development needs. This mission has been followed from the beginning. The Delta Commission conducted an extensive research and outreach program to ensure the information obtained was all-inclusive. Meetings were held at universities, in small town fire stations in old churches and city auditoriums. On one occasion, testimony began in the evening and continued until 3:30 in the morning. In short, great pains were taken to make certain the people would have their say. The result is a comprehensive plan for the Delta.

This report, therefore, should be read with the following truths in mind:

This is a grassroots report. The people of the region participated in this work. They identified problems and they presented ideas about how to solve them. The people know best the region's economic troubles and must take the lead in putting in place the answers to those troubles.

The Delta's problems cannot be summed up in only a few issues, and so the complexity of its needs warrant a comprehensive plan of action.

Economic development of the Delta cannot be separated from the cultural and ethnic realities and cannot be planned apart from careful management of its resources and protection of its environment. This report envisions a coming time when ecological mindfulness and economic development are no longer seen as incompatible but as indivisible.

The solutions require participation at every level. Not only must the federal government find new ways to invest in the Lower Mississippi Delta's future, but other levels of government, the private sector, civic and nonprofit organizations, and individuals must step forward.

People of the Delta must be provided opportunities by the public and private sectors in order to be productive, in order to be assets rather than liabilities to the nation.

The problems found in the Delta are common to all seven states who have counties or parishes in the region—Illinois, Kentucky, Tennessee, Mississippi, Louisiana, Arkansas and Missouri. The states individually already are working on many of the problems, but together through regional cohesiveness, can reach better solutions.

And finally, this report is not for anyone seeking easy answers or quick fixes. Only the willing worker should read this action plan and pay attention to its recommendations. This report is merely the beginning; there is much to be done.

The Themes of the Report

Twelve central themes came to light through the course of the work of the Lower Mississippi Delta Development Commission. These themes depict the most fundamental needs in the region, needs whose resolution would help the Delta reach its potential and fulfill its promise. The 12 themes call for the following:

- (1) Develop leadership.
- (2) Change attitudes regarding tradition and image.
- (3) Improve education at all levels.
- (4) Build institutional know-how and capacity.
- (5) Achieve comprehensive approaches to solving problems.
- (6) Improve abilities to function in a multicultural society; face race and class problems and bridge the gap.
- (7) Build on and protect existing resources.
- (8) Streamline institutional processes.
- (9) Increase capital for development.
- (10) Create and penetrate markets.
- (11) Improve physical infrastructure.
- (12) Build technical competence.

Those major themes weave their way through the issues and the recommendations like golden threads which, when sewn together, give form and strength to the fabric of this plan, truly making it a handbook for action.

All the recommendations that accompany the 68 goals are in some way related to the central needs of the region. Some require action by the federal government. Some place responsibility with state and local governments. Some require response by the private sector, by institutions of higher learning, by businesses and industries, by foundations and other non-profit organizations, by churches, schools and above all, by the people.

The Sections of the Report

The body of the report is divided into four supersections - **Human Capital Development, Natural and Physical Assets, Private Enterprise and the Environment**. Each supersection is subdivided into topical sections, which in turn are divided into issues. Each issue has a ten-year goal statement and a series of supportive recommendations. Altogether there are 68 issues/goals and more than 400 recommendations.

The ten-year goals aim for fulfillment by the Year 2001—the first year of the 21st Century and the first year of the next millennium. The goals are designed purposely to be ambitious. The Delta Commission recognizes that some may not be fully attained within a decade's time, but together the goals outline an overall plan that can make the Lower Mississippi Delta and its citizens full partners in creating the nation's best possible future when the dawn of that new age arrives.

Human Capital Development

The report begins with the supersection on Human Capital Development for a very good reason. The human factor is the most important and human needs require the most work. All the other elements in this plan support this simple, profound truth: too many people in the Lower Mississippi Delta suffer in poverty and malaise, held back by generations of neglect and apathy. If the nation is to reach its economic zenith, then the Delta must prosper. The only way the Delta can prosper is for its people to prosper. And for the people to prosper there must be action on top of action from every source, from all sectors and corners, from every philosophy and outlook.

The Human Capital Development supersection contains goals and recommendations that will build support structures for basic human needs, such as health, education and housing and leadership development. Here are some of the most urgent recommendations:

Education

Congress and the **President** should immediately agree on a bill that increases the number of subsidized day care positions for low-income families; expands the Earned Income Tax Credit (EITC) to adjust it for family size; and makes the Dependent Care Tax Credit refundable.

States should continue education restructuring efforts and fully evaluate the results. Initiatives should be developed by each state in school-based management, emphasizing teacher and staff professionalism, a revised curriculum to better fit today's needs, and greater accountability for teachers and principals. Congress and the U.S. Department of Labor should investigate the funding distribution formula of the Jobs Training Partnership Act to eliminate inequities. (According to a recent survey ... the Delta receives approximately \$29 million less than its share of these funds.)

Congress and the **President** should enact and adequately fund the National Literacy Act of 1989.

States should maximize use of welfare reform legislation to target programming and needed support services to school-aged parents in order to keep them in school.

Congress and the **President** should enact the National Community Service Act of 1989, with amendments targeting Delta states as a demonstration site. This act should include language found in the Volunteers in Service to America (VISTA) Expansion Act of 1989, which characterized the Delta as the poorest region in the country.

All federal granting agencies should target more research and development monies in selected areas to Delta consortia of higher education. In particular additional credit should be given in their evaluation grading system to Historically Black Colleges and Universities (HBCUs) working in consortia with other Delta research institutions.

Health

Federal and **state governments** and the **private sector** should accelerate their cooperative efforts to address the issue of health insurance access nationally.

Congress and the **President** should enact legislation that will provide a longer Medicaid transition period for Delta families moving out of welfare and into work situations.

Congress and the **U.S. Department of Health and Human Services** should review Medicare and hospital reimbursement policies to remove financial disincentives for rural hospital and health care providers.

States and **health care institutions** should encourage and support the use of mid-level practitioners in local health care settings in order to maximize the capacity of primary care physicians.

Housing

Congress and the **President** should revise the tax codes to allow first-time, low-income and moderate income homebuyers to establish tax-free saving accounts for down payments.

States should establish clearinghouses to improve communication between HUD, state housing agencies, and FmHA regional, state, and local offices, to provide technical assistance on federal programs; to act as ombudsmen for local groups, and to assist in the creation of local housing development entities which can take advantage of federal and state programs.

Congress and the **President** should enact legislation to increase FmHA's Section 515 allocation for the Delta states to the sum of the highest allocation for each state during the 1980s. The additional allocation should be targeted for low-income, elderly and handicapped households in the Delta counties.

The U.S. Department of Housing and Urban Development (HUD), working with the local housing authorities should establish escrow accounts of a percentage of monthly rent for high-end rent paying tenants, to be used later for down payments on homes.

Community Development

Religious leaders within each Delta state should convene an ecumenical conference each year and regional ecumenical conferences every two years for the purpose of mobilizing resources from the religious community to engage in self-help efforts.

State governors should establish a regional task force to explore the applicability of the labor-management cooperation model in addressing race relations.

States should create a fund (from various federal block grant programs) to provide technical assistance and local planning efforts, local action initiatives and local leadership training programs.

States should develop and implement community leadership training programs modeled after the best elements of successful systems, such as the Henry J. Kaiser Family Foundation Health Initiatives programs, South L-I-N-K 2000, and the Mississippi Association for Community Education (MACE), Charles Bannerman Institute program.

Natural And Physical Assets

The Natural and Physical Assets supersection recognizes the vast natural resources available to the Delta, the need to wisely use and guard those resources, the importance of agriculture to the region and the immense need for physical infrastructure work in communities and rural areas. Here are some of the recommendations:

Agriculture

Congress should pass legislation that will designate aquaculture as an agricultural commodity, with all appropriate rights and responsibilities.

Congress and the **states** should create economic incentives to encourage the location of value-added facilities for processing agricultural products within the Delta.

Federal government should provide financial and technical support to minority, limited-resource and small-family farmers who desire to switch from conventional crops to alternative crops.

Congress should develop and fund a Delta Agricultural Technology Transfer Center in conjunction with AgriCenter International located in Memphis, Tennessee. This center would be a facility for consolidating and dispensing the latest agricultural technology from various sources to users within the Delta.

Natural Resources

All levels of government and the **private sector** should actively support preservation of high-quality wetlands.

Congress and **States** should increase funding for research to determine the effectiveness of the Best Management Practices on both ground and surface water quality.

Congress should continue to fund the Clean Coal Technology Program in order to demonstrate and deploy technologies for combustion of coal in an environmentally-sound manner.

Congress should authorize and fund the Resource Conservation and Development (RC&D) program of the USDA to allow for expansion of or approval of new RC&D Project Areas which include the remainder of the Delta Commission counties and parishes.

Congress and the **President** should release funds currently held in the Highway Trust Fund.

Congress should prioritize funding for the Great River Road and immediately provide funds for its completion.

Congress should increase funding levels for U.S. Forest Service rural fire protection and set the cost-share rate for the Delta at a 90-10% federal- local state split.

Congress should waive the local cost-share requirements for water resources projects in the Delta for a 10-year transition period. In order to provide local residents with the opportunity to purchase flood insurance, local governments should participate in the National Flood Insurance Program. Make this a prerequisite to receiving a waiver of the local cost-share requirements.

Private Enterprise

The Private Enterprise supersection depicts the need to strengthen the Delta's private sector through entrepreneurial gains, technology development, business and industrial growth and tourism. Here are some of the most vital recommendations:

Entrepreneurial Development

The federal government, in cooperation with the **state governments** and the **private sector**, should establish a regional development bank that guarantees local bank-financed loans, provides equity and near-equity loans to Delta businesses, as well as fixed-asset financing, and also provides equity financing to community-based loan pools.

Technology Development

Congress and the **President** should approve and fund construction and operation of a national high-speed data network of super computing centers that would yield a national standard for other networks and facilitate economic development efforts in the Delta.

Business and Industrial Development

Congress should extend Section 1207 of the Defense Authorization Bill that mandates a goal of 5% for the award of defense contracts to minority firms.

Congress should fund a regional initiative to pursue the creation of flexible manufacturing networks in specific industries.

The **private sector** and **state** and **local governments** should establish and fund a Delta Common Market organization to offer technical assistance in marketing, organize Delta trade missions, sponsor and cooperate with regional advertising campaigns in general, and aggressively promote the region.

Tourism

Congress and the **states** should pass legislation providing for "tourism development zones" (groups of counties that have priority for tourism development) and for the use of the Delta in a pilot program.

The Delta tourism entity should work with **state tourism offices** and the **private sector** to evaluate the region's tourism strengths and weaknesses and develop tourism materials and strategies in the "Delta image."

The Delta tourism entity should develop a Delta African American Heritage Trail system to serve as the premier U.S. destination for travelers interested in African American heritage.

Local governments and the **private sector** should develop a major Native American cultural center in the Delta to serve as a primary information center for tourism on the Native American Heritage Route.

Environment

The Environment supersection recognizes that ecology and economic development must be seen as partners for the advancement of the Delta. The recommendations include:

Congress should enact uniform national air and water quality standards; **EPA** should uniformly enforce national pollution standards.

Federal, state and private research dollars should be targeted to study the disproportionate effects of environmental pollution and hazardous materials on minority, low-income and rural communities.

Federal and **state governments** should require new and existing industries to bear the full cost of negative environmental impact they cause.

The Delta Commission believes those recommendations and all the rest amount to a fresh and ambitious approach to economic development. The Commission discovered a new spirit of cooperation among the states in the region. This cooperation can lead to a regional approach to the solutions.

It also should be noted that, in effect, this report recommends that the federal government direct funds to the Delta whenever capital projects are funded and whenever research and development and other federal awards are made generically, without attachment to geographic locales. The region deserves an extraordinary share of such funds.

Finally, this plan recognizes that working integrally and holistically on the problems of the Delta provides a comprehensive plan of action that is far more powerful than the specific recommendations by themselves. Thus, ethnic diversity must be recognized and play a role in economic development. Thus, all levels of government and all portions of the private sector must react to the plan. And thus, taking sound environmental steps will ensure proper and stronger economic development in the future.

On Liberty Island in New York Harbor stands the Statue of Liberty holding aloft an immense torch. This gift of the French people beckons the world's lost and forgotten to come to America for shelter, hope and another chance.

And, indeed, hundreds of thousands have come to these shores and found hope, just as this country has reached out to the other peoples of other nations with food, emergency aid, and assistance in industry, finance, defense, medicine and more. If there is one common plea of the people from the Delta it is this: "What about us?"

This Final Report of the Lower Mississippi Delta Development Commission suggests that the Statue of Liberty be turned figuratively around to face the heartland, particularly the Delta, and to offer the same shelter, hope and new chance to her own people.

If the recommendations that make up this plan of action are followed, no less shall happen, and a colossal change will be accomplished along the shores of the mighty river that carries the very life-pulse of the nation.

The Call To Action

The Lower Mississippi Delta Development Commission ends its mission and becomes defunct as a government organization on September 30, 1990. There is nonetheless work to be accomplished in its wake. To this end, the Delta Commission makes the following two-part recommendation:

First, that the states immediately establish and fund an interim organization to act as an advocate for the Delta initiatives; this temporary organization should be composed to reflect the ethnic, gender and geographic makeup of the region, and should be kept in place until such time that a permanent entity is established.

And second, that the Congress should immediately address the issue of an appropriate entity to monitor the progress of the Delta, to ensure the successful implementation of the Delta Commission's ten-year plan and recommendations, to provide for joint state and federal participation, and to address possible funding mechanisms.

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STATEMENT OF

GEORGE M. BARCLAY, PRESIDENT

FEDERAL HOME LOAN BANK OF DALLAS

BEFORE THE

SUBCOMMITTEE ON PROCUREMENT, TAXATION AND TOURISM

OF THE

COMMITTEE ON SMALL BUSINESS

JULY 19, 1993

STATEMENT OF
 GEORGE M. BARCLAY, PRESIDENT
 FEDERAL HOME LOAN BANK OF DALLAS
 BEFORE THE
 SUBCOMMITTEE ON PROCUREMENT, TAXATION AND TOURISM
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JULY 19, 1993

My name is George Barclay and I am the president of the Federal Home Loan Bank of Dallas. I appreciate the opportunity to appear before you today to discuss briefly how the specialized community lending programs of the Federal Home Loan Bank of Dallas can be used to support commercial revitalization and economic development in rural areas of the State of Louisiana.

Before I do that, however, for the benefit of those not familiar with the Federal Home Loan Bank System, let me take just a minute to tell you who we are and what we do.

The Federal Home Loan Bank System is comprised of twelve regional Federal Home Loan Banks with nearly 4000 thrift institution, commercial bank, insurance company, and credit union stockholders. The Federal Housing Finance Board, an independent agency in the executive branch of the government, is the oversight agency for the FHLBanks. Although "federal" appears in the name of the Bank, no public or tax dollars are involved in our operation.

The Federal Home Loan Bank System was created by Congress in 1932 to fulfill two primary objectives. To promote economic stability in housing markets and among housing lenders, and to help support the longer term goal of making the American dream of homeownership a reality. That has been the FHLBank System's basic mission during the 60 years of its existence.

As I will discuss shortly, that role is now changing. Increasingly the Federal Home Loan Banks are supporting the related areas of neighborhood revitalization and community development in addition to our traditional focus on housing finance.

The twelve Federal Home Loan Banks, like Fannie Mae and Freddie Mac, are considered Government Sponsored Enterprises (GSEs), and also like Fannie Mae and Freddie Mac, are privately owned.

Each Bank is a separate corporate entity whose stock is owned by member financial institutions in its district. In addition to its traditional thrift institution members, commercial banks as well as insurance companies and credit unions with at least ten percent of their assets in residential mortgages are now eligible to apply for membership in and become stockholders of their regional Federal Home Loan Bank.

The Federal Home Loan Banks' major activity is making loans (we call them advances) to stockholder financial institutions for primarily three purposes: (1) to fund home mortgage originations, (2) to fund residential mortgage assets held in portfolio, and (3) to provide liquidity so these institutions can devote a larger portion of their assets to funding residential mortgages.

The Federal Home Loan Banks raise the funds they lend by issuing consolidated debt securities in the capital markets and by taking deposits from their members. These funds are marginally marked up and then loaned to our stockholders.

The FHLBank System currently has total assets of about \$160 billion and capital of about \$11.0 billion (or 6.8 percent), making the System one of the largest and best capitalized banking organizations in the country.

The Dallas Bank is currently owned by some 253 community commercial banks, 161 thrifts, 4 insurance companies and 3 credit unions in the states of Arkansas, Louisiana, Mississippi, New Mexico, and Texas.

The FHLBank System is currently undergoing a transition from being a wholesale lender solely for thrift institutions to becoming a central bank for housing and community finance serving the whole spectrum of community financial institutions. To illustrate, I would like to share with you some statistics on the rapidly changing composition and dynamics of the membership of the FHLBank System, and particularly the Dallas Bank.

When Congress included provisions in FIRREA to expand eligibility for membership in the FHLBanks to include commercial banks and credit unions, few anticipated the extent to which these newly eligible institutions would begin filling the gaps in housing and community finance created by a shrinking thrift industry, or the extent to which they would choose to take advantage of their new opportunity to gain access to the FHLBanks.

The FHLBank System's role in supporting housing finance is truly expanding to include a wide variety of community financial institutions working to meet the housing and community development needs of their communities. In fact, as of May 31, 1993, less than four years after FIRREA opened the membership doors, more than 40 percent of all FHLBank member institutions are non-thrifts.

Our experience in the ninth district is representative of the experience of all 12 FHLBanks, although even a bit more dramatic. In 1982, the Dallas Bank's membership base was comprised of about 600 thrift institutions. By the middle of 1989, our membership base had declined to 379 thrifts. Today we have 421 member stockholders, 260 of which are commercial banks and other institutions which were not generally eligible to become members or use our products until 1989. At the rate commercial banks are currently applying for membership in the Dallas Bank, by the end of 1993 we will probably have twice as many community commercial bank members as thrifts.

I fully expect that by the time the Bank's membership base returns to its prior level of 600 members by the middle of 1995, about 150 will be thrifts and 450 will be community commercial banks and credit unions.

The Dallas Bank has been particularly well received in Louisiana, where our membership now is almost evenly divided between community commercial banks and thrift institutions: 44 thrift institutions with total assets of about \$4.5 billion, 38 commercial banks with total assets of about \$3.9 billion, and one credit union are currently Dallas Bank members. In addition to those institutions which have already become members of the Dallas Bank, an additional 144 commercial banks are eligible to become members. We anticipate that over the next couple of years 40 to 50 of these community commercial banks will take advantage of the opportunity to join the Federal Home Loan Bank of Dallas.

I believe this dramatic change in the FHLBank System merely reflects changes which are occurring in the marketplace. Although the remaining thrift institutions are predominantly strong and healthy, many communities no longer have a thrift institution presence to satisfy their local mortgage lending needs. Community commercial banks are increasingly filling that void. As I have visited with representatives of both thrift institution and community bank members, I have been struck by the growing similarities between the two types of institutions.

In further recognition of these market changes, the FHLBank System is considering a new mission statement which, if approved by the Boards of Directors of the 12 District Banks, will explicitly include support for community revitalization and economic development. The mission statement is outlined in the June 23, 1993 version of the FHLBank System's general strategic planning document, known as "System 2000." The document, which is currently being reviewed by the Board of Directors of the 12 district Federal Home Loan Banks, suggests that the mission of the FHLBank System is to "facilitate the extension of credit through its members in order to provide access to housing for all Americans and to improve the quality of their communities."

The System 2000 study clearly recognizes that "a home should be more than just a place to eat and sleep," and that "quality housing goes hand-in-hand with quality neighborhoods and communities." In line with this sense of the FHLBank System's mission, one of the proposed strategic goals of System 2000 calls for the FHLBanks to expand their line of products that support the community revitalization activities of member institutions.

Under the System 2000 concept, each FHLBank's Board of Directors will have primary responsibility for identifying and addressing opportunities to support member institutions' activities in its region. To support individual FHLBanks' efforts in this area, System 2000 as currently drafted envisions the FHLBank Presidents' Housing and Community Development Committee (of which I will be a member) coordinating System-wide research to identify types of programs the FHLBanks might offer in support of their members' local initiatives. The management and directors of the Dallas Bank have also recognized for several years that the mission of the Bank System is changing and are keenly interested in ways it can provide support for economic development and neighborhood revitalization through its local financial institution stockholders.

Now let me get back to the business at hand. In addition to our regular lending activities, the Dallas Bank also offers two specialized programs to assist our stockholder institutions in meeting the affordable housing and community economic development needs in the communities they serve, be they urban or rural. Through our Affordable Housing Program (AHP), we provide direct grants to help expand home ownership opportunities and affordable rental housing for very low and low-income families and individuals. Since its introduction in 1990, the Dallas bank has made \$21.7 million in subsidies available through our stockholder thrifts and community commercial banks. These funds have leveraged more than \$193 million in other public and private dollars for the purchase, construction or rehabilitation of 7,230 dwelling units.

In Louisiana, we have approved \$3 million to fund 23 AHP projects. These Affordable Housing Program funds will leverage \$41 million in other private and local public funds for the rehabilitation or construction of 829 housing units.

The Affordable Housing Program has been recognized by local leaders, non-profit organizations and state and local governments as one of this country's most successful housing programs. This success is due in large part to the innovative public/private partnership that is at the heart of our programs. We have found that this partnership approach has enabled local lenders and their non-profit or local government sponsors to create innovative approaches to solve local housing needs.

Our second specialized community lending program is the Community Investment Program (CIP). Originally introduced in 1978 as the community investment fund, the program's goal was to involve the private thrift industry in expanding the housing opportunities for low and moderate-income families. A basic assumption of the program was that public sector spending alone could not solve America's housing problem. The belief was that the private sector in general and private thrift institutions in particular would have to play an active role in order to maximize the success of the process.

And succeed it did. Between 1978 and 1989 thrift institutions nationally utilized more than \$7.6 billion of CIP advances for the rehabilitation or construction of more than 571,500 dwelling units. At the Dallas Bank, thrift institutions borrowed more than \$725 million to finance just over 38,000 housing units. In Louisiana, thrift institutions utilized over \$79 million to fund more than 4,300 units.

The current CIP is the successor to the Community Investment Fund and was authorized by FIRREA in 1989. The purpose of the program is to encourage our member stockholders to undertake special creative efforts to increase their involvement in affordable housing, community revitalization and economic development in their local communities, be they large or small.

The CIP provides our stockholder institutions an easily accessible source of favorably priced funds that can be used for a variety of lending purposes. Eligible loan activities include capital improvements for small businesses, the development of industrial facilities, social service facilities, nursing homes, hospitals, college housing, community health care facilities, and civic centers as well as home mortgages, home improvement loans and multi-family housing. CIP funds have also been utilized in conjunction with historic preservation efforts and Main Street USA programs to help revitalize the core business centers and

town squares of many of our rural communities. This is just a sample of the varied ways Community Investment Program funds may be utilized.

Our stockholder institutions can use CIP funds to finance any of the activities I have just mentioned, as long as families or individuals with incomes at or below 115% of the area median income benefit, either through housing or through the creation or retention of job opportunities. Community Investment Program funds may also be used if the activity being financed is located in a low to moderate income neighborhood. As an example, CIP funds could be used in Alexandria to benefit families or individuals with incomes at or below \$33,150.

Community Investment Program advances (loans) are available to FHLB members on a fixed rate basis, amortizing or non-amortizing, for maturities of three months to 30 years. No commitment fee is charged for funds availability. A commitment fee is required, however, for a rate guarantee.

Community Investment Program funds are priced at a discount of approximately 25 basis points (1/4%) to the standard rate for advances from the Federal Home Loan Bank of Dallas. In short, the Dallas Bank's CIP advances are offered at little or no markup over their cost to the Bank.

It is important to note that the Bank imposes no additional underwriting criteria on stockholder institutions who participate in this program. This is because we believe that community thrifts and commercial banks are in the best position to determine the feasibility of applications within their communities.

All CIP applications received by the Federal Home Loan Bank of Dallas are simply reviewed to determine if they meet CIP criteria and to insure that the stockholder institution has complied with the terms of the Bank's credit policy. The processing time for community investment program applications by the Bank is approximately 5 business days.

In the State of Louisiana, four CIP advances totaling \$6.6 million have already been funded this year. Of this total, \$2.1 million was used to finance 141 affordable housing units and \$4.5 million was used to finance two nursing home facilities, which not only provided housing but created or retained 191 jobs.

All four applications were submitted by community commercial banks that became stockholders of the Federal Home Loan Bank of Dallas only within the last 24 months.

During the first half of this year, 23 applications totaling just over \$28 million have been funded throughout the Bank's five state region. Of these applications, 20 were submitted by new community commercial bank stockholders.

These statistics reflect the impact of the changing membership in the Federal Home Loan Bank of Dallas. Commercial bank stockholders are accessing programs such as the Community Investment Program to finance not only housing but commercial and economic revitalization as well. As commercial bank membership continues to increase, we anticipate a greater utilization of Community Investment Program funds.

The Community Investment Program has proven over the years to be a flexible and easily accessible source of funds for our stockholder institutions. Other than the basic eligibility criteria I mentioned earlier, there are no set parameters with which an application must conform. This allows local communities and local community financial institutions working together to identify local needs and design and develop programs to fit those individual needs.

While we all know that funding is the basic ingredient of any community or economic development project, the Federal Home Loan Bank of Dallas provides another resource that is just as valuable. That resource is technical assistance. Our community investment staff is available to work with our stockholders, local governments, community groups and local civic leaders to ascertain needs within the community and to provide information on how the CIP program can assist in meeting those commercial and economic development needs.

There has been much discussion in recent months about how to improve and enhance community development efforts. I believe that Community Investment Programs of the Federal Home Loan Banks have already demonstrated great success in support of community development. Moreover, these programs, if properly enhanced, can expand and accomplish even more to meet the needs of communities, without having to create a new and costly centralized bureaucracy. Our program is already in place and contributing.

The beauty of our CIP program is it utilizes the existing network of community based financial institutions to get the job done. No one knows better than our community based financial institutions the needs of their local communities. By providing them with additional financial resources in the form of low cost funds in appropriate maturities, the FHLB System can enable them to fund the many worthwhile and economically advantageous projects that now go begging. We have already shown what we can do with our CIP Program. As the number of our community commercial bank members expands, I'm sure we can do a lot more.

Thank You.

STATEMENT OF
THOMAS D. FOWLER, CHIEF EXECUTIVE OFFICER
SECURITY 1ST NATIONAL BANK
ALEXANDRIA, LA
BEFORE THE
SUBCOMMITTEE ON PROCUREMENT, TAXATION AND TOURISM
OF THE
COMMITTEE ON SMALL BUSINESS
JULY 19, 1993

"PROMOTING TOURISM & ECONOMIC OPPORTUNITIES IN RURAL AREAS"

JULY 19, 1993

As a point of introduction, my name is TOM FOWLER and I am CEO of Security 1st National Bank in Alexandria, La.. Our bank is locally owned with \$160 million in total deposits and \$70 million in total loans which equates to a 43% loan/deposit ratio. It also means we put 43% of our deposits back into this community in loans to consumers and small businesses. Our bank underwent a \$3,750,000 recapitalization in 1992 and I'm happy to report we are once again healthy earning over 1% on assets this first 6 months of 1993.

Today's hearing is an important forum to discuss how we can expand economic opportunities to rural areas. Before I comment on this, however, I feel it is important for the committee to hear the present status of the lending community in Central Louisiana.

This community has had 2 S&L failures and 2 bank failures during the past five years. Over \$55 million of bad loans have been charged off during this same period. Certainly, we have all learned some lessons from our recent past.

All 8 banks now serving Central La. are once again strong and serving the community's needs in a very competitive fashion. In other words, if one of these eight won't make the loan, it probably shouldn't be made. Credit quality must and will be first and foremost on our minds as we have a responsibility to our shareholders.

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We will all admit that the S&L crisis put tremendous pressure on the economy - it broke the FSLIC. The FDIC is still solvent, however, and now appears will return to its congressionally mandated goal of 1.25% of insured deposits before the year 2000. Our bank pays over \$400,000 per year to the FDIC to insure our depositors, so let's not confuse who is replenishing the FDIC's fund - Banks, not taxpayers.

Another point I would like to make is most of the increased regulations in the banking industry have little to do with safety and soundness. We have added staff simply to keep up and monitor new regulations. Of course, the consumer is the one who eventually must pay the price as banks find it more expensive to make loans and take deposits in such a regulatory environment. Moreover, local communities suffer as stricter regulations and increased supervision have the effect of taking risk out of bank loan portfolios. This means many otherwise credit-worthy borrowers, such as small business owners, farmers, and young families, who may not meet some inflexible regulatory requirement, may find less credit available to them.

Each week we receive unbelievable amounts of new documents from the OCC, FDIC and Federal Reserve. As a banker, I'm frustrated that while I'm working to make the bank more competitive and more responsive to the needs of the community, unnecessary regulation is undermining those efforts. It means diverting valuable employees away from customers and putting them in a back room to process

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regulatory paperwork. It also means telling consumers who want to refinance a mortgage, for example, that they'll have to complete a score of forms before the process can even begin. The last person who wants to see paperwork take precedence over customer's needs is your banker. We're trying to do our best to continue to bring capital to small businesses despite the regulatory burden. My purpose in bringing these points to your attention is this over-reaction and micro-managing directed by Congress. It is not the regulators - they too, are frustrated. Please give us relief so that we may devote more time and dollars to the subject that brought us here today.

Our goal is making credit available to credit worthy borrowers because it affects our economy and economic development. Tourism has become one of the largest industries in Central La. and this hearing today will only generate more interest in tourism and economic development. Conventions and tourism overlap and Central La. offers much in the way of rural tourism. Our central location and quality facilities have made us a natural.

I know there are countless federal and state programs - I submit one such chart listing programs in La.. If there are more, particularly some which pertain specifically to tourism, the banking industry would welcome the opportunity to participate. I know the SBA and FHLBB are making concerted efforts in the state to assist banks where their programs apply, but most other programs seem more form than substance.

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As always, the banking industry will lead the charge for Economic Development both in dollars and manpower. Tourism is already a growing industry in Cenla and should only expand in the coming years. Understanding that credit quality drives us, we are ready to assist whenever possible.

GARLAND R. LAWRENCE'S REMARKS TO THE SMALL BUSINESS SUBCOMMITTEE ON
PROCUREMENT, TAXATION AND TOURISM HEARING ON JULY 19, 1993 IN
ALEXANDRIA, LOUISIANA

Hearing on:

"Promoting Tourism and Economic Opportunities in Rural Areas"

I. CLECO's Economic Development Activities

- a. Cleco is the only New York Stock Exchange Company headquartered in Central Louisiana. Having this facility located in Pineville provides a reservoir of professionals not normally available in a community of this size.

These professionals participate in almost all community activities, providing manpower, leadership and expertise in addition to financial resources. The company is the largest taxpayer in Rapides Parish and most of Central Louisiana while making significant contributions to most economic and community development projects.

CLECO's Service Area includes 23 of 64 parishes in the state and spans an area to almost all four borders of the state. CLECO serves more than 211,000 customers and almost one million of the state's citizens.

- b. CLECO maintains a full-time staff of professional Economic Developers who work with all of the communities and areas of the state served by CLECO to enhance the economy of the state and of CLECO's service area in particular. We are a small town and rural utility service company.

Our clients represent a broad spectrum of industrial and commercial successes including such industries as agriculture, food, wood, paper, chemical, apparel, aircraft, plastic, tourism, recreation, government and distribution warehousing.

Two examples of successful projects are five Holloway Sportswear Plants constructed since 1977 in five different rural communities of Central Louisiana that employ more than 1,000 people. A more recent success is the Duralt Corporation which will manufacturer plastic wood in Oakdale and employ more than 100 persons within the next 24 months.

c. CLECO ECONOMIC DEVELOPMENT includes three work areas:

- (1) Business and industry recruitment
- (2) Community or infrastructure development
- (3) Developmental agency networking

BUSINESS AND INDUSTRY RECRUITMENT includes:

- (1) site and building locational studies
- (2) comparative site analyses
- (3) community receptivity and public out reach programs
- (4) raw materials analyses
- (5) regulatory and permitting assistance
- (6) labor availability and quality
- (7) state and local financial incentives
- (8) utilities demands and cost scenarios
- (9) transportation network and infrastructure information
- (10) quality of life and community assessment information

The Developers help prospects identify facility characteristics and corporate objectives that will influence the site or building identification and selection. This is accomplished by matching the clients needs to building and site availability using Cleco's buildings and sites data base. CLECO identifies and creates a short list of top ranked buildings and/or site candidates for further analysis. Photos, maps and video tapes of building, sites and communities are provided.

Relative strengths and weaknesses of potential sites, as well as analysis of the sites and infrastructure are provided.

Experience with site location, legislative, regulatory, zoning, and environmental activities coupled with interaction with public officials and community leaders enables the developer to identify and forecast relevant public attitudes and policies that may hinder or delay locating an industry. The developer then works with the prospect to formulate a public out-reach program.

Once a site has been identified we assist the client by providing local, regional and state environmental and regulatory information to expedite the permitting process.

It is CLECO's intention to provide all potential clients with accurate research data in a timely manner while maintaining the strictest of client confidence.

Cleco's Developers travel the country contacting industrial site specialists and decision makers to tell them the Louisiana story and how industry can prosper here.

COMMUNITY OR INFRASTRUCTURE DEVELOPMENT includes:

- (1) community preparedness program
- (2) participation in individual community improvement programs with human and financial resources
- (3) community development specialist
- (4) existing business and industry program _
- (5) participation in community assessment studies
- (6) Advertising and Promotion
- (7) Promote expansion of tax base through privatisation

The single most difficult problem in all manner of economic development efforts standing in the way of success is the lack of community consensus.....a community or area can have the best facilities, the greatest incentives, and a pleasant quality of life, but without togetherness and agreement on what the community wants to be and where it wants to go and how it wants to get there, it is destined to fail. Cleco cannot help a community that is divided and has splintered efforts. No one can. The basic reason this community is achieving economic improvement is because the community is acting together and is unified in most of its efforts. All of Cleco's community development programs are aimed at communities that are committed to working together.

DEVELOPMENTAL AGENCY NETWORKING includes:

- (1) ports and industrial, business and air parks
- (2) chambers of commerce
- (3) local, state, regional and federal government development groups
- (4) utilities
- (5) economic development foundations and boards
- (6) international trade groups
- (7) other private development groups

Cleco's developers devote considerable time and financial resources to working with other developmental agencies. Perhaps the best examples of this locally are the work with the Chamber of Commerce, the Economic Development Council, the England Authority, the Convention and Visitors Bureau, the Port, the Red River Waterway Commission, Kisatchie Delta, the Small Business Development Center and the State Department of Economic Development. In addition to these agencies, the

legislative delegation, both state and federal, cities and towns, the parish, the education community and many other individuals and organizations are involved and important to the economic welfare of the community. I believe it is commendable that most of these agencies are working together in Central Louisiana....the results speak much louder than anything I could possibly say.....

II. Rural Development Opportunities

- a. England Air Park, Heritage Park and The Military
- b. Red River Activity
- c. Recreation
- d. Tourist Corridors

III. A Rural Tourism Alliance

- a. Each town, community or identifiable rural area should
 - (1) decide whether they are interested in being involved with tourism. To succeed there must be commitment on the part of the community,
 - (2) the alliance should be made-up of at least one larger metropolitan area that house and feed visitors. From that area tourists could be transported to an alliance members location for tours, events, meals, etc.
 - (3) the alliance should analyze the entire area through a comprehensive study that indicates strengths, weaknesses, infrastructure, accommodations, attractions, etc. Sharon Calcott of the Lt. Governor's office conducted an inventory of attractions and assets that may provide a good start on such a study.

- b. The alliance will succeed only if the area is committed and determined to succeed. There must be a commitment to working together. The Regional Economic Development Alliance is a good example of how difficult and yet how rewarding this effort can be.
- c. A comprehensive marketing plan must be developed
- d. Any comprehensive effort to develop tourism in Central Louisiana should be lead by the Convention and Visitors Bureau. This is by far the most active, best funded and effective group working to develop tourism in Central Louisiana.

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